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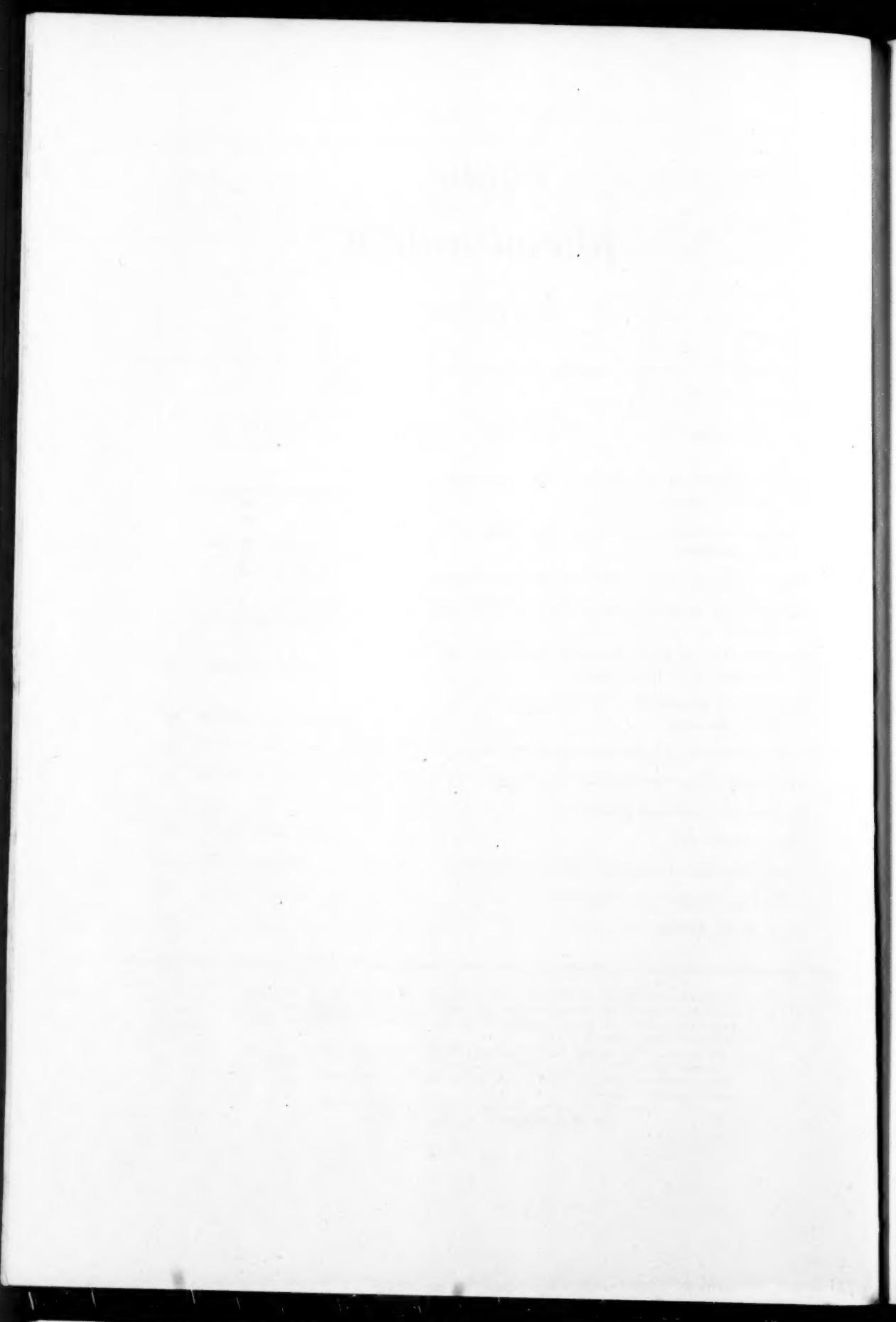
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## *IN THIS NUMBER*

SIR ARTHUR SALTER, M.P., is a distinguished British civil servant and public administrator whose book *Allied Shipping Control: An Experiment in International Administration* has become a classic in the field of public administration. It was published in 1921, a few years after he had been secretary of the Allied Maritime Transport Council. From 1920 to 1922 Sir Arthur was general secretary of the Reparation Commission, and in 1919 and again from 1922 to 1931 he was director of the Economic and Finance Section of the League of Nations. Last December Sir Arthur resigned his post as British member of the Combined Shipping Administration in Washington to assist Herbert H. Lehman as deputy director general of the United Nations Relief and Rehabilitation Administration.

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*Public Administration Review* is intended to promote the exchange of ideas among public officials and students of administration. The various views of public policy and public administration expressed herein are the private opinions of the authors; they do not necessarily reflect the official views of the agencies for which they work or the opinions of the editors of this journal.

# From Combined War Agencies to International Administration

By SIR ARTHUR SALTER

*Deputy Director General  
United States Relief and Rehabilitation Administration*

THE United Nations must now at once wage war with intensity and prepare urgently for peace. No one can prophesy when the war will come to an end, but obviously we can neither count on an early victory nor exclude its possibility. When the end of the war does come, it may well come suddenly, at least in part of the world, and present us with the immediate necessity of changing over to the new tasks of the future.

In these circumstances, it is necessary to consider the transition from the international machinery that has been developed for the purposes of warfare to an international machinery that will be appropriate to the needs of the period when hostilities shall have ceased. Hardly anyone questions the need for some kind of international machinery in the postwar world. The principal issues over which we shall be likely to disagree are not whether international machinery is needed, but how it should be constructed and what its constitutional and administrative principles should be.

Fortunately, we have developed a considerable body of experience with international administration since the beginning of the first World War. No brief discussion could even outline that experience, but it may be worth while to try to consider some of the main principles that most seem to need emphasis in such a problem.

Perhaps the general motto which the United Nations should adopt as they undertake to convert their wartime machinery into a permanent international structure is this: We shall at our peril fail to use the

machinery which we have, and we shall equally at our peril fail to adapt it quickly and extensively to the new tasks before us.

## *The General Pattern*

WHEN our maker of organization charts looks at the international machinery that exists in the capitals of the world, perhaps especially that which is found in Washington, he is apt to think it a shapeless and unstable structure. But that is not necessarily a defect in the organization. No one in Washington would venture to suggest that there are not very regrettable and remediable faults in our present international organization, but if we had the most perfect organization possible, it would still be sprouting and metamorphosing in an apparently haphazard fashion. And it would be one of its merits that it should do so.

One of the things that makes this organization workable—and, on the whole, it does work better than a glimpse of Washington suggests—is that it has been built up piece-meal and adjusted to operating needs as they appeared. The United Nations have not started with a general conception of what an alliance waging the war should want and then proceeded from a neat comprehensive pattern to the creation of tidy departments. Rather, beginning with the period when Great Britain was dealing with the United States as a belligerent deals with a friendly neutral, and passing on to the time when the United States came into the war with full responsibility as one of the allied powers, we have created for each particular task, bit by bit, the kind of or-

ganization that that task seemed to need.

An organization which is to meet the needs of nations working together needs to be fitted to their needs very much as a man's clothes need to be fitted to his body. The anatomy neither of the human body nor of the body politic is a thing of cubes and rectangles. It is by no means to the discredit of the international organization which has been developed that its picture cannot be neatly drawn in tidy divisions on two-dimensional charts. The picture that we actually have is more like a photograph of a clothed man than like a cubist portrait of him.

The organization has many obvious defects, but at the center of it one is apt to pay excessive attention to its defects and fail to recognize its merits. To get the proper balance, it is necessary to remember that in the making of decisions friction and quarrels are inescapable. But as the decisions are made and passed on to the sphere of action of the allied powers—to the shipyards of the Pacific Coast, to landing parties at Salerno and Tarawa, to the men working and fighting all over the globe—the headaches that develop at the nerve center are forgotten. To look only at the difficulties that have to be considered at the center is like looking at an iceberg and failing to realize that its great bulk is submerged.

#### *Ramifications of the Structure*

THE combined organization as a whole is knit in closely with the most important stages of planning and execution of governmental policy for the prosecution of the war. The work usually begins, of course, with diplomatic negotiations. The next stage is the actual conference between the several powers concerned. Then come specialized conversations between experts—Treasury people with Treasury people, and so on. Finally comes the work of the standing organizations, such as the Pacific Council or the European Commission, in which something of a general guiding policy is

developed for the United Nations, but without authoritative executive effect—a guiding policy by which Russia, China, and other countries work with us and with each other.

Then you have, stemming from each standing organization, a combined, or in some cases an inter-Allied, organization that runs down through the various spheres of command all over the world, in the armies and in civilian organizations alike, tying together the efforts of various nations and their various specialized institutions.

Finally, there is the part of the structure that is most significant to the future development of international administration—the "combined" war agencies. Each of these has a counterpart in London and something similar in many other parts of the world and in other spheres of action. In Washington, within the general framework, there are such combined organizations as the Combined Chiefs of Staff, comprising the Chiefs of Staff of America and Great Britain, the Combined Munitions Assignment Board, the Combined Production and Resources Board, the Combined Food Board, the Combined Raw Materials Board, and the Combined Shipping Adjustment Board. These between them coordinate the strategy and the supply policy of the two governments.

#### *Functional Structure*

AT FIRST glance it is apparent that the combined organization is largely a combined organization of America and Great Britain. What about the other Allies, and particularly the great Allies?

It is essential to remember that these combined organizations have not been created to express a general conception of the relationship among the United Nations or the relative importance of the several Allies.

The fact that Russia is not represented on the Combined Chiefs of Staff does not mean that Russia is considered a less important military partner than the United States or Great Britain.

The architecture of the combined organizations is strictly organizational. Coordination of policy between Russia and ourselves is necessary—hence the Moscow and Teheran Conferences; but integration of detailed executive action in shipping, supply, and production is not—in view of geographical situation and our respective roles in the war—necessary in the same sense and degree as it is between the United States and the United Kingdom. It is for this reason that the United States and the United Kingdom are normally the members of the Combined Board and Russia is not. It is for a similar reason that Canada, as a producer of both food and munitions, which others of us need, is a member of the Combined Food Board and the Combined Production and Resources Board, while not of the Combined Shipping Adjustment Board.

#### *Executive Authority of Members*

BEFORE considering how to change from these combined war agencies to the machinery required for the period of transition to peace, it is well to remember the character of the membership of these organizations. They are not external or independent bodies of experts who meet and prepare a plan for the consideration of the governments concerned; still less are they unofficial experts to whom the governments have delegated the executive power to allot food from and to the various countries. It is quite clear that if they were nothing but advisory boards, they could not be effective in getting the governments themselves to take the necessary prompt and large-scale action. It is equally clear that no governments could possibly delegate or assign to outside agencies the power required to distribute and pool the war effort.

Consequently, the combined war agencies have followed the basic principle of the inter-Allied organizations founded, and to a large extent invented, in the last war. That principle is that the members of the boards must be ministers or officials of the

appropriate departments of the interested governments, with adequate authority to express and influence policy. Consequently, in a sense, a combined board is not an organization in itself. It is rather a mechanism for linking together for a specified purpose the national administrations themselves so that—for the time being and for a defined task—the inter-Allied or international work is done by the several national governments, whose departments have been—for the moment and for a purpose—converted into an international machine.

This principle holds good not only for the special conditions and the special needs of war. It is equally effective in time of peace. It is a principle which proved its value in those functions of the League of Nations that were most effective. In the financial reconstruction of Austria, for example, if the League had tried to collect in Geneva some of the greatest experts in the world, merely as experts, it would have failed. No scheme of reconstruction could have been carried through successfully without very definite and difficult action by quite a number of governments, and particularly by their Treasuries. What the League did, therefore, was to constitute its "financial committee" largely of men who held positions of executive authority in the various Treasuries—men of great personal influence, men whose decision and action was required to put any scheme into effect. By the time the crucial point was reached, these men regarded the scheme at least as much their own, indeed more their own than that of the people living in Geneva. For the moment, those national Treasuries had become a part of the international machinery.

#### *The Magnitude of the Problem*

THAT principle may help us as we approach the problems that will confront us as soon as hostilities cease in a part of the world. Never before has the world seen anything like the task, in scope and difficulty

and magnitude, that will lie before us when the fighting ends.

Think first of all of the immense task of relief and rehabilitation and the rebuilding of devastated areas. This task alone is far greater than that at the end of the last war. The first World War was really a European war, as far as the combat area was concerned. We had to deal with patches of devastation in an undevastated continent. But now we have a global war, a devastated Europe with only a few oases which have been spared.

Beyond the relief and physical reconstruction, there will be the task of rebuilding the whole machinery of government, the whole social and economic structure of countries whose governmental facilities have been destroyed, whose leading personalities have been killed, and whose organizations have been dispersed.

In the happier countries like the United States an equally unprecedented problem of conversion and rehabilitation is faced. Two examples will illustrate this point. The miraculous shipbuilding program of this country made, perhaps, the difference between defeat and victory. The world now has a shipbuilding capacity which, when the submarine has finished its work, will easily exceed the postwar needs of the world by at least ten times. And, as for airplanes, America is probably now making about as many airplanes every two days as the total number in her great commercial service before the war.

The job of industrial conversion in this country will be immense. And it is obvious that the first steps that will have to be taken will have tremendous repercussions upon the programs of other countries. At once we shall be faced with the difficulty of getting enough coordination of monetary and financial policy, of commercial policy, and so on, to avoid disastrous quarrels and disastrous frictions. In facing these problems it is equally important that we should not scrap our administrative resources, as on the

whole we did after the last war, but that we should adapt them and adapt them quickly.

We suffered a great deal after the last war because we greatly increased our postwar dislocations not only by ending our international controls but by prematurely scrapping the national controls that are the fundamental bases without which the international controls cannot exist. One small example will illustrate the effect of giving up economic control too soon. Under the pressure of shipping shortages during the first World War, Great Britain was never forced to reduce the sugar ration to less than eight ounces a week. After the war, as a result not of shortage but of commercial dislocation, the ration had to be reduced to six ounces.

It is perhaps less likely that we shall give up our controls too soon, because we learned a lesson in 1918 and 1919; but we are not entirely free from that danger. What we need to do is not only to retain the machinery of international control but to hold the national controls in effect until we can safely convert to the more traditional type of economy which both the United States and Great Britain desire.

#### *Need for a General Agency*

As we try to learn from the experience of the last postwar period, we should neither assume that we must repeat our previous mistakes nor take it for granted that everything we tried to do before was wrong. Our backward look must be discriminating; we must not be so fearful of the errors of the past postwar period that we fall into worse error on the other side.

Many people are now saying, for example, that we tried before to create a vast political organization, the League of Nations. That broke down. It was too ambitious. What we should now do, they say, is to build up a series of specialized administrative bodies, and they will be sufficient. We have a commercial policy organization.

We have a board for this and another for that. All these units will make up an international organization.

I think this is a dangerous mistake. We do, indeed, need gradually to build up specialized organizations of that kind. Such organizations, however, must be linked to some central body of higher authority. Otherwise, they will be blocked in their specific tasks. No one can go far in dealing with commercial policy without finding that it is dependent upon something wider than commercial policy. Without a central body of higher authority, the national governments will adopt rival policies that will make specialized negotiations, such as commercial negotiations, impossible.

On the other hand, it would be equally fatal to start by creating a great international organization, which would be expected to proceed by drawing an organization chart and creating a department for economics, and so on. What is needed is primarily a natural growth from below—from the specialized combined organizations—but with guidance from the central authority at the top, so that there is a link and a point of clearance among the specialized agencies.

To put it from the point of view of the individual, in all our work it is important to keep our feet on the ground, but not to keep our eyes on the ground; the feet should be on the ground, the head erect, and the eyes alternately on the ground and on the goal. We must be sure, as Mr. Walter Lippmann is always reminding us, that our policy and our power to realize it are equated.

#### *The Sharing of Power*

BOTH in international affairs and in the development of our own countries we have the perennial problem of striking a balance between the realist and the idealist, between might and right, between order which may develop into tyranny and freedom which may develop into anarchy. We

may learn some lessons from the last five years which will better enable us to find the safe middle road between opposing dangers.

"Equality" is sometimes spoken of as if every country, great and small, has not only an equal right to justice, as it should have, but a right to equal influence in international affairs. It would, however, be impossible to create an international organization where world policies were equally influenced by the small country and the large country. When the United States changed from a group of independent states to a single federation, it increased its proper influence in world affairs. No one would say that the weight of America in world affairs ought to be multiplied by forty-eight if the union were to be dissolved into its component states.

We are proceeding, and we must proceed, to develop our international organization on lines which will leave a high concentration of authority in the hands of those countries which at the end of the war will have a vast preponderance of power. The League failed mainly because there was not a sufficient and assured preponderance of power in the hands of those who desired to achieve its purposes. But, if we avoid that error, we must avoid equally the opposite error of thinking that the temporarily necessary concentration of power in the hands of a few countries at the end of the war will endure and remain forever, or for a long time.

It is indeed essential that the three or four countries which will have the preponderant physical force should assure the framework within which the world can be reconstructed or can reconstruct itself. But it is also of the utmost importance that as quickly as power can be shared, it should be shared, and that the policy which is followed by those countries which monopolize world power should be a policy of serving the interests of the world as a whole.

We shall need to see that the purpose of serving the world permeates not only the

highest authorities of the several countries but also the whole international mechanism that develops from the combined agencies as we now see them. We shall have to be prepared for a process of what will look like fumbling and muddling and quarreling as we try to infuse this spirit into the postwar system—to keep alive the democratic expression of the democratic world. We shall be constantly tempted to think, as the muddles and quarrels are publicized, how much simpler it would be to rely on some imposed authority. But if it is true, as it is, that government by consent is in some ways less expeditious and sometimes less efficient than government by imposed authority, we need always to remember that it has the enormous advantage of containing within itself, as dictatorship does not, curative and remedial processes. It is true that democracies expose their sores; but it is better to expose your sores than, like the hypocrites, to whiten your sepulchers.

Dictatorship, in all its varying degrees, may use its authority to act quickly and efficiently, but it also uses it to transmit error. It has not the same ultimate and enduring sources of power as an organiza-

tion based upon public consent, which draws a continual stream of strength from that public consent.

It is of the utmost importance for us as individual citizens to realize that if we choose our leaders it is our duty to choose them wisely, and then be ourselves prepared to serve. The state that we control deserves our unstinted service, for it is a state that is a servant of man. And what is true of the relation of the individual citizen to his own country is, perhaps, equally true in the international sphere of the proper relationship of the great powers to the rest of the world. If they are ultimately to retain power, they must first, as far as possible and as quickly as possible, bring others into their circle and their company, and secondly, in the uses to which they put that power and in the organization that they create for the purpose, they should represent, as far as is humanly possible, the desires and the true needs of the world as a whole.

The motto without which they will betray their trust as custodians of the world's future is: Share and Serve. Share as rapidly as possible. Serve always.

# The Role of Communication in the Process of Administration

By JOHN J. CORSON

*Director, Bureau of Old-Age and Survivors Insurance  
Social Security Board*

"When I use a word," Humpty Dumpty said, in rather a scornful tone, "it means just what I choose it to mean—neither more nor less."

"The question is," said Alice, "whether you can make words mean different things."

"The question is," said Humpty Dumpty, "which is to be master—that's all."

## I

HUMPTY DUMPTY thus summarized a continually troublesome problem for every administrator. The effective administration of any organization requires agreement upon a common objective, as well as a common and continuing understanding of the problems and accomplishments experienced in the day-to-day pursuit of that objective. But can the administrator devise and then use effectively means of communication<sup>1</sup> that enable him to project his leadership in words to the most remote of his employees and simultaneously to bring back, in words, their daily operating experience?

This problem may be restated in terms of the three principal purposes for which the administrator formulates and uses means of communication: (1) to convey instructions and policy decisions down the line of authority, (2) to transmit to the administrator the reports, suggestions, and experiences of employees at each vantage point of operating experience, and (3) to create a common understanding of the group purpose.

<sup>1</sup> Communication is here considered only as it relates to the internal administration of an organization, and not as it concerns the agency's relations with its clientele, the Congress, or the general public. ....

Statement of the first of these three purposes brings to mind immediately the customary means of conveying instructions and decisions: through the oral statements of a superior to a subordinate, through memoranda, through general "bulletins," "field letters," "directives," or "administrative instructions." Through such means an administrator directs the work of those men and women for whose activities he is responsible. In the language of the technician, communication to accomplish this purpose is called "the flow of command." But what determines whether the command will flow effectively? How can the administrator be assured that his words will convey the precise ideas he intended as they are interpreted and reinterpreted by each successive "layer" or "echelon" in the administrative hierarchy?

The difficulty of conveying instructions or decisions to decentralized field operations is perhaps the most common illustration of this problem. Making decentralization work is primarily a problem in communication, for the chief pitfall of geographical separation in administration is disparity in the interpretation of instructions and in the application of decisions. Every group of individuals develops an *esprit de corps* which is more than a collective loyalty to the immediate group as opposed to loyalty to a distant central office; it is a different approach to, and interpretation of, the whole job. Most of the group's instructions and information come *via* written communications. These are interpreted in the light of the group's own peculiar

character. The leavening effect of continuous contact with all sections of the central organization, always at work in the case of central office personnel, is absent. Furthermore, the intermediate stages through which commands must pass from the central office on their way to the field office inevitably cause some distortion in the ideas communicated.

To obtain in words from employees their experiences is not merely the reverse of the downward flow of command. It includes the customary process of having employees prepare periodic reports on the work they have accomplished. But it may also include the "positive process" of obtaining from employees their ideas, suggestions, and statements of operating experience. Employee suggestion forms, "suggestion boxes," and staff meetings are among the devices used to stimulate this positive type of reverse communication. Upon the effectiveness of such a positive type of reverse communication depends the extent to which administrative procedures and practices will continually be adapted on the basis of day-to-day operating experience.

Yet, mention of suggestion forms or boxes evokes in many administrators' minds thoughts of their usual ineffectiveness. That employees, as well as administrators, lament the frequent ineffectiveness or absence of such devices for reverse communication is illustrated by the response of a worker when Vice-President Kettering of the General Motors Corporation, addressing a group of shop workers, remarked that it required two years for a decision of the board of directors to find its way down to application in the shops. A worker sarcastically rejoined, "And how long does it take for an idea of one of the men in the shops to find its way up to the board of directors?" Moreover, the "pulling up" of information and ideas from employees is handicapped by distortion just as is the flow of command downward. As the ideas of many employees are assembled and sum-

marized for the review of the top administrator they suffer a distortion alike in significance even if different in character.

The third purpose for which communication is utilized is that of providing all employees with an understanding of the organization of which they are a part and its objectives. In our armed forces the provision of such information to new recruits is described as "indoctrination"; civilian public administrators have usually described it as "in-service training." In either area, the background information communicated is customarily made up of three types. First, there is the information that will convey to all members a common understanding of the organization's purposes and objectives. The larger an organization the more essential is the effort to explain to each of its employees the purpose for which it is established. The second type of background material that must be communicated to the staff is informational detail regarding plans and prospective actions.<sup>1</sup> Such material is issued primarily to provide a fertile ground upon which may fall subsequent operating instructions and directions. The third type of material includes all those facts and data that relate the individual's job to the whole and the activities of the subdivision in which he works to other parts of the organization. It is easy for the job of any employee in a large organization to become dissociated from the larger purpose of the organization. Then, too, small insulated groups representing the interests of particular operating divisions tend to develop in most administrative units. These disintegrating influences may be combatted by making a report to the employee of the achievements resulting from the integrated effort of the organization and of the problems arising from the lack of such integrated effort. If

<sup>1</sup> One agency of the federal government issues to all field personnel an informal weekly bulletin describing policy questions under consideration by the headquarters staff, entitled, *What's Cooking!*

the employee's sense of the whole is thus enhanced and he is made aware of the relationship of his contribution to the success of the entire agency, his individual performance and that of the agency may be improved. A typical instrument that is used for this purpose is the "house organ"; it may take a variety of forms, but to attain its purpose it must include carefully selected data on organization achievements and problems, as well as the customary personal information about employees and announcements of recreational activities.

## II

**I**N VARYING degrees and in different forms each administrative organization—a private corporation, a bureau of the federal government, a municipal department, or the Army—will use, consciously or unconsciously, some means to accomplish each of these purposes of communication. A description of the means of communication in a typical bureau of the federal government may suggest (1) customary methods by which these purposes are accomplished, (2) the significance of communication media to the administrative success of such an agency, and (3) ways and means of combatting communication problems frequently encountered. By way of illustration, the processes of communication within the Bureau of Old-Age and Survivors Insurance of the Federal Social Security Board will be described. They are not depicted as a model or even as an integrated system of communications. Rather, they afford a picture of the number and type of communication media used by a typical agency of the federal government.

The Bureau of Old-Age and Survivors Insurance was organized by the Social Security Board in 1937 to administer Title II of the Social Security Act. This title established a nation-wide system of old-age insurance (subsequently, in 1939, amended to add survivors insurance)—a form of social insurance not previously known as a gov-

ernmental service in this country, either to the citizens to be affected by it or to the men and women to be recruited to administer it. The administrative job assumed by this bureau necessitated the establishment of a nation-wide network of field offices to deal with the employers and employees affected by this legislation. In October, 1943, this bureau consisted of approximately 8,300 employees—4,500 in the central office and 3,800 in more than 440 offices located in the major cities and towns throughout the United States. The task performed by these thousands of employees is indivisibly integrated around the claim for insurance payments filed at one of the hundreds of field offices by a retiring worker or by the widow of a deceased worker. A lifetime record of each insured worker's wages is maintained centrally in Baltimore. When the claim is filed, this record must be dispatched to the field office to be associated with the claimant's application for payments and then forwarded to one of five geographically decentralized area offices where the claim is finally adjudicated on the basis of the wage record and certified for payment. The effective handling of thousands of claims each day requires a precise integration of the activities of a number of employees about each individual claim. The need for uniformity of action is more imperative than in most agencies. The administration of such a system of benefits entails the most careful attention to uniformity of decision, for the justice with which claims are adjudicated is a most important criterion of successful administration. How is such integration of the activities of thousands of employees brought about?

Day-to-day instructions are communicated through conferences or through written memoranda between the director and one or another of the five assistant directors. Such personal contacts are supplemented by weekly staff meetings of the ten "top-flight" officers of the bureau, who

jointly decide questions of policy. In turn, these decisions are communicated down through each successive layer in the organizational hierarchy. The communication of the more important decisions is facilitated by semi-monthly conferences attended by all division, section, and unit chiefs in the central offices (a total of about 50), at which especially significant decisions are interpreted and discussed.

Typical policies considered by this executive staff of the bureau will deal with the application of court decisions affecting the disposition of claims for widow's insurance benefits, prescribed methods of handling specific types of claims for benefits, the training of personnel in field offices, and the formation of the annual budget for operating expenses. Such policies, however, are not formulated *de novo* in the insulated confines of a staff conference room in this bureau or in the typical administrative agency. The operating budget, which is eventually accepted or revised by this executive staff, already reflects the suggestions and views of numerous employees whose recommendations were solicited in the course of its preparation. Similarly, a policy considered by the executive staff to govern the training of supervisors was considered only after outlines had been sent to representative supervisors for comment and criticism and had been revised in accord with some of the suggestions received. Again, a personnel policy statement governing the promotion of field-office managers was submitted to field-office managers in three separate geographical areas for review and was rewritten in the light of their criticism before final consideration. The materials eventually released undoubtedly profited from the suggestions obtained, the individuals consulted gained a sense of participation, and the operating objective finally decided upon was more generally understood.

The policy decisions and instructions thus developed are formally communicated

to the employees throughout this bureau by two principal series of publications. The first of these is known as the "Regional and Field Letter." Issued weekly to regional and field offices of the Social Security Board, it carries formal instructions and policy decisions. Its weekly copies are retained in each field office in appropriate loose-leaf subject manuals. The second series of publications is known as the "Director's Bulletin." This is published at irregular intervals as the subjects warrant. Perhaps the most important of these bulletins are those issued each December and June presenting to all employees, in an illustrated, readable form, the bureau's operating program for the succeeding six months. These bulletins are used as a basis for staff meetings in each section and unit in which supervisors and employees discuss the objectives and plans included in the program in relation to their respective units. Other bulletins contain a variety of materials pertinent to the work of the bureau, ranging from the bureau's recent progress in expediting the payment of claims to beneficiaries, to extracts from a newly published book on management or the analysis of legislation introduced in Congress that would affect the old-age and survivors insurance program. All such bulletins are drafted in an informal style and are designed to provoke employee discussion. Two other series of printed materials that are forwarded to all field employees are "Administrative Orders," dealing with general policies, principally regarding personnel, issued respectively by the Social Security Board and the Federal Security Agency.

Routinely, throughout the past five years, the bureau has held two series of conferences to bring field and central-office personnel together for discussion of current operating problems and policies. Once each year, the field-office managers in each of twelve regional areas meet together in the regional office with the principal central-office officials and their regional supervisors.

Their meeting covers three days during which they discuss recently issued policy decisions and instructions, current operating problems that are anticipated, changes in procedures, and amendatory legislation. Similarly, once each month a group of approximately twenty field-office managers, representing each of the twelve regional areas, meet at the central office with the director and his executive staff to go over, in round table discussions, changes in the organizational structure of the bureau, changes in central-office practices and procedures that affect the work of field employees, studies being made in anticipation of legislative recommendations, and such current operating problems as perplex the individual field representatives. At these conferences, time is regularly set aside for a tour of the central office, especially the vast mechanical record-keeping operations of the bureau. Both types of conferences bring together employees from the highest and lower levels in the administrative hierarchy of the bureau and permit the cross-exchange of views and opinions without regard to intervening levels in the hierarchy.

Partly because old-age and survivors insurance is a new and little understood field of governmental activity, and partly because of the technical nature of its operations, a comprehensive program of training for all grades of employees has been carried on since the bureau's origin. Old-age and survivors insurance is not insurance in the traditional use of that term, and it is as definitely not relief. Hence, those who administer it do not practice the traditional trades either of the insurance salesman or of the social worker. No readily available source of men and women possessing a clear understanding of this new governmental function and its methods is to be had. Hence, all employees who are appointed at salaries as great as \$1,800 per annum are required to attend a six-week training course dealing in detail with the origin of, the economic basis for, and an analysis of the provisions

of the Social Security Act. All employees recruited for clerical, stenographic, or messenger positions are required to attend a one-day staff induction session at which they are told of the work and organization of the bureau. This is followed at the end of a six-month period by a series of thirteen lectures designed to acquaint the employees with the objectives of the old-age and survivors insurance program and its economic and social significance. Both groups are presented a visual picture of the work of the entire bureau through a motion picture designed to portray the interrelationships of the work carried on in each subdivision of the organization. Subsequently, after employees have entered upon their respective assignments, they are encouraged to participate in "in-service training" in the analysis of their own jobs, in supervisory practices, or in the theory and philosophy of social security. Training is a continual process designed to improve the efficiency of the individual employee, to encourage him to suggest ways and means of doing his own and other tasks better, and to develop his understanding of the whole organization of which he is a part.

Here, then, is a picture of the communications system (or lack of system) of a relatively typical governmental unit. But how effectively does this combination of means of communicating ideas and words throughout the group (1) convey instructions and policy decisions, (2) elicit and transmit the experiences of employees to the management, and (3) create a common understanding in all employees' minds of the group purpose? Do the methods used facilitate or impede effective administration? And what factors determine the effectiveness and usefulness of each method?

### III

**S**TUDENTS of administration have not yet formulated the principles of organizational communication that would make possible an effective answer to these ques-

tions. But it is possible, at least, to indicate some relative advantages and disadvantages of the principal media of communication. First, consider those media of communication that rely on the oral or spoken word—face-to-face conferences of operating officials, staff meetings, committee meetings, conferences between central-office and field-office officials. Direct oral conversation is the usual means of communicating commands or instructions from supervisor to subordinate. It is a familiar method and provides opportunity to clear up obscure points, to facilitate mutual understanding, and to develop mutual confidence. Most situations requiring positive action to improve employee morale are more effectively dealt with by direct personal contact. Problems in coordination between hierarchical equals or between agencies are frequently best handled by face-to-face conversations, since such horizontal coordination depends largely upon personal reactions.

Oral communication, however, is readily perverted by human idiosyncrasies. The executive, for example, who is often unavailable to discuss problems with his subordinates effectively closes the channel of oral communication. They must write memoranda or simply settle the matters themselves. His customary inaccessibility discourages the use of oral communication. Similarly, the executive with the best intentions regarding staff contacts cannot depend upon oral communication if he has so many subordinates reporting directly to him as to make it quite impossible for any of them to have sufficient time with him to transact essential matters. As a consequence, some executives use staff assistants whose sole function is the oral communication with subordinates which has become impossible for the executive himself. The idiosyncrasies of the human beings by whom oral communication is relayed from top administrator down the hierarchical structure inevitably distort the meaning of the instruction or decision originally given by

the top administrator as it passes from mouth to mouth. Unconsciously, each person in the hierarchical line rephrases and interprets the instructions given him as he, in turn, passes them on to his own subordinates. The result is that many an administrator, viewing the application of his decision by employees at the other end of the hierarchical line, ruminates sympathetically on the story of the playwright who could not believe that the drama enacted upon the stage, after it had been adapted and interpreted by editors, stage producers, and actors, was actually his own production.

The larger and more subdivided an administrative organization becomes the more impossible it is to rely upon oral communication to create the essential community of understanding between the person who has the top responsibility and the man on the job. Oral methods must then be supplemented by the written word.

The written word enjoys a tremendous popularity among the governmental fraternity, but memoranda, notes, releases, and printed documents are ubiquitous in any large organization. In the busy life of an executive there is nothing like a nice memorandum to dispose of a problem—for the time being and for better or worse. Yet our naive confidence in written communication is based upon the belief that the English language means the same thing to all people at all times. The truth is that English, admirable medium as it is for the speeches of Churchill, the novels of Hervey Allen, or the lyrics of Shelley, is not an ideal vehicle for exact statement to secure identical understanding by any considerable number of persons. As Justice Holmes pointed out, "A word is not a crystal, transparent and unchanged, it is the skin of a bony thought and may vary greatly in color and content according to the circumstances and the time in which it is used."

Written words entail two limitations as a means of communicating within an ad-

ministrative organization. First, unless the words are used carefully and precisely, there can be no assurance that all members of the administrative organization will interpret the sentences or paragraphs identically. A classic illustration of the ineffectual use of written words is given by General James G. Harbord in his book, *American Army in France*, in which he quotes (pp. 455-56) the following order issued near the close of World War I.

Memorandum for commanding generals, First Corps, Fifth Corps.

Subject: Message from Commander-in-Chief

1. General Pershing desires that the honor of entering Sedan should fall to the First American Army. He has every confidence that the troops of the First Corps, assisted on their right by the Fifth Corps, will enable him to realize this desire.

2. In transmitting the foregoing message, your attention is invited to the favorable opportunity now existing for pressing our advance throughout the night. Boundaries will not be considered binding.

By Command of Lieutenant-General Liggett:

H. A. DRUM  
Chief of Staff

General Pershing is quoted by Major General Harbord as having said that misinterpretation of the last sentence of this order—"Boundaries will not be considered binding"—by the Fifth Army Corps resulted in its being sent on a futile errand, in executing which it crossed French artillery fire, sustained about five hundred casualties, and "marched itself to exhaustion."

Second, written words, even when used with care and precision, are subject to varying interpretations in accord with the varying experiences and backgrounds of those who receive them. This limitation is similar to the distortion that accompanies the conveying of oral words from superior to subordinate, or vice versa, through the hierarchical line. Each individual places upon the words, even though precisely used, that meaning which is implied in the light of his personal experiences and background.

Yet, any administrative organization consisting of more than a handful of employees must inevitably use the written word in communicating instructions, information, reports of progress, and a variety of other materials to all personnel. Interpretations of law, rulings, and decisions require formal, authoritative statements. Hence, most agencies of government will have their manuals or volumes of "orders," "opinions," "regulations," or "rulings." For communications that involve the necessity of a permanent record and accurate statement or that deal with complex or detailed subject matter, the written word is obviously the best or only available medium. The size of an organization may be such as to prevent oral communication and make necessary the use of written materials for communicating even informal general statements in other instances. Hence, effective administration leans heavily upon the arts of precise, simple expression and careful, skillful editing for the transmission without distortion of command, information, and objective. The editor of day-to-day bulletins, orders, and regulations may play a far more important role in administration than students of the science have yet recognized.

Two other media of communication, less often recognized than the spoken or the written word, play a part in the development of understanding within any administrative group. These media are visual materials and the social environment within which members of the group live as well as work.

To permit employees to "see" what they do in relation to the activities of related organizational parts is a particularly effective way of achieving coordination. Field employees who are able to visit the central offices and to see at first hand the individuals with whom they communicate daily and the processes they perform will likely be better able to perform their own tasks. Central-office employees who have themselves performed the agency's processes in

the field, in contact with the public the agency serves, may better perform their more abstract functions in the future.

A six-month operating program or even a daily instruction may be made clearer, or at least claim the attention of more employees, if illustrated than if presented in unadorned text. Bulletins prescribing operating procedures by means of detailed, step-by-step descriptions may evoke a higher degree of common understanding when accompanied by flow charts that enable employees to visualize the steps and relationships. Perhaps the oldest type of visual material used to accomplish administrative ends is the organization chart, which acquaints the staff with the chief functional and scalar relationships between various organizational subdivisions. The use of short movies and slide-films to depict organizational relationships is a modern adaptation of the older, conventional "still" organization chart. Finally, graphs and charts illustrating pertinent statistics will play a prominent part in the development of a general understanding throughout an administrative group of accomplishments and progress, as well as convey this information to the top administrator himself.

The social environment within which an administrative group works may more often be construed as a handicap to the development of a common understanding within the group than as a medium of communication. Yet, that it is a means through which members of the administrative group form their opinions of the objectives and purposes of the agency must be clear. The effect of the social environment is especially great in those governmental agencies that undertake the administration of new governmental services. Consider the Office of Price Administration, for example. Do its thousands of employees formulate their views on the objectives and purpose of the agency as a result of administrative communications or on the basis of the comments of their neighbors and the daily newspapers? The

War Production Board is created to perform governmental functions unknown in peacetime. Its staff is made up of men and women recruited in principal part from a variety of private enterprises. Yet will their views or the nature of the social function they perform be moulded more by their previous experiences than by the prolonged and arduous efforts of administrative officials to create a common understanding of objective? The National Labor Relations Board is another example of a governmental agency engaged in the administration of new and as yet controversial functions. Even on the assumption that the board recruits its personnel carefully with a view to employing, in so far as possible, only persons sympathetic to the purposes of the legislation they are to administer, is it not likely that its administrative officials have a substantial task in overcoming traditional attitudes when endeavoring to create an understanding, articulated group? On the other hand, those agencies of government engaged in the administration of older, well-known governmental services, such as the postal service, may find that the social environment in which the men and women it recruits have lived has endowed them with a basic understanding of the objectives the group seeks, or at least makes the creation of such a basic understanding simpler.

#### IV

THE significance of communication to the effectiveness of the administrative processes seems clear. An organization in which the channels of communication facilitate the transmission of ideas may be likened to the industrial plant in which electricity carries power to innumerable remote points simultaneously. In contrast, an organization with ineffective communication may be likened to the old water-driven factory where power was transmitted from cog to cog to cog. Yet in none of the literature on administration are the communicating processes

thoroughly described and evaluated. Gaus and Wolcott, in *Public Administration and the United States Department of Agriculture*, devote little attention to the efforts of that department to establish a common understanding of departmental and bureau objectives. Macmahon, Millett, and Ogden touch upon a single phase of the problem in their study of *The Administration of Federal Work Relief* in a chapter on "The Flow of Command." More adequate recognition of the problem is to be found in *Bureaucracy and Trusteeship in Large Corporations* (Monograph No. 11 of the United States Temporary National Economic Committee's series, "Investigation of Concentration of Economic Power"). There Dimock and Hyde discuss the importance of communication as a device to facilitate administrative actions and emphasize the relationship between the difficulties of communication and the size of the organization. Chester I. Barnard in his *The Functions of the Executive*, while regarding communication principally as a factor in the "flow of command," attempts to tie it into the picture of the administrative process, remarking, "In an exhaustive theory of organization, com-

munication would occupy a central place, because the structure, extensiveness, and scope of organization are almost entirely determined by communication techniques."

Students of administration in the future may find it fruitful to appraise and dissect the methods of communication used in diagnosing administrative ills. What do we know of the relative efficiency of the verbal versus the written use of words? What is the distortion ratio in instructions communicated by tongue and instructions communicated by printed type? Is it necessary to find means of communication that avoid the organizational hierarchy and permit direct access between top management and the most remote employee? The lack of ready answers to such questions may suggest that the science of administration as thus far developed may provide better guides for the management of men, money, and materials than for the utilization of words in the attaining of administrative ends. In the use of words to communicate ideas, instructions, and commands precisely and exactly, administrators have a long way to go before they get beyond the Humpty-Dumpty stage.

# Decision-Making and Administrative Organization

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IT IS clear that the actual physical task of carrying out an organization's objectives falls to the persons at the lowest level of the administrative hierarchy. The automobile, as a physical object, is built not by the engineer or the executive, but by the mechanic on the assembly line. The fire is extinguished, not by the fire chief or the captain, but by the team of firemen who play a hose on the blaze.

It is equally clear that the persons above this lowest or operative level in the administrative hierarchy are not mere surplus baggage, and that they too must have an essential role to play in the accomplishment of the agency's objectives. Even though, as far as physical cause and effect are concerned, it is the machine-gunner, and not the major, who fights battles, the major will likely have a greater influence upon the outcome of a battle than will any single machine-gunner.

How, then, do the administrative and supervisory staff of an organization affect that organization's work? The nonoperative staff of an administrative organization participate in the accomplishment of the objectives of that organization to the extent that they influence the decisions of the operatives—the persons at the lowest level of the administrative hierarchy. The major can influence the battle to the extent that his head is able to direct the machine-gunner's hand. By deploying his forces in the battle area and assigning specific tasks to subordinate units, he determines for the machine-gunner where he will take his stand and what his objective will be. In

very small organizations the influence of all supervisory employees upon the operative employees may be direct, but in units of any size there are interposed between the top supervisors and the operative employees several levels of intermediate supervisors who are themselves subject to influences from above and who transmit, elaborate, and modify these influences before they reach the operatives.

If this is a correct description of the administrative process, then the construction of an efficient administrative organization is a problem in social psychology. It is a task of setting up an operative staff and superimposing on that staff a supervisory staff capable of influencing the operative group toward a pattern of coordinated and effective behavior. I have deliberately used the term "influencing" rather than "directing," for direction—that is, the use of administrative authority—is only one of several ways in which the administrative staff may affect the decisions of the operative staff; and, consequently, the construction of an administrative organization involves more than a mere assignment of functions and allocation of authority.

It is the operative employee who must be at the focus of attention in studying an organization, for the success of the structure will be judged by the way in which he performs within it. In this paper administrative theory will be approached from this standpoint: by analyzing the manner in which the decisions and behavior of operative employees are influenced by the organization.

*Necessity for "Vertical" Specialization*

**M**ost analyses of organization have emphasized "horizontal" specialization—the division of work—as the basic characteristic of organized activity. Luther Gulick, for example, in his "Notes on the Theory of Organization," says: "Work division is the foundation of organization; indeed, the reason for organization."<sup>1</sup>

In this paper we shall be primarily concerned with "vertical" specialization—the division of decision-making duties between operative and supervisory personnel. Our first inquiry will be into the reasons why the operative employees are deprived of a portion of their autonomy in the making of decisions and subjected to the authority and influence of supervisors.

There would seem to be at least three reasons for vertical specialization in organization. First, if there is any horizontal specialization, vertical specialization is absolutely essential to achieve coordination among the operative employees. Second, just as horizontal specialization permits greater skill and expertise to be developed by the operative group in the performance of their tasks, so vertical specialization permits greater expertise in the making of decisions. Third, vertical specialization permits the operative personnel to be held accountable for their decisions: to the board of directors in the case of a business organization; to the legislative body in the case of a public agency.

**Coordination.** Group behavior requires not only the adoption of *correct* decisions, but also the adoption by all members of the group of the *same* decisions. Suppose ten persons decide to cooperate in building a boat. If each has his own plan, and they don't bother to communicate their plans, the resulting craft is not apt to be very seaworthy; they would probably have met with better success if they had adopted even a

very mediocre design, and if then all had followed this same design.

By the exercise of authority or other forms of influence, it is possible to centralize the function of deciding so that a general plan of operations will govern the activities of all members of the organization. This coordination may be either procedural or substantive in nature: by procedural coordination is meant the specification of the organization itself—that is, the generalized description of the behaviors and relationships of the members of the organization. Procedural coordination establishes the lines of authority and outlines the spheres of activity of each organization member, while substantive coordination specifies the content of his work. In an automobile factory, an organization chart is an aspect of procedural coordination; blueprints for the engine-block of the car being manufactured are an aspect of substantive coordination.

**Expertise.** To gain the advantages of specialized skill at the operative level, the work of an organization must be so subdivided that all processes requiring a particular skill can be performed by persons possessing that skill. Likewise, to gain the advantages of expertise in decision-making, the responsibility for decisions must be so allocated that all decisions requiring a particular skill can be made by persons possessing that skill.

To subdivide decisions is rather more complicated than to subdivide performance; for while it is not usually possible to combine the sharp eye of one workman with the steady hand of another to secure greater precision in a particular operation, it is often possible to add the knowledge of a lawyer to that of an engineer in order to improve the quality of a particular decision.

Frederick Taylor's theories of shop organization were primarily concerned with this aspect of the decision-making process. The purpose of his scheme of functional

<sup>1</sup> Luther Gulick and L. Urwick (eds.), *Papers on the Science of Administration*, p. 3.

foremanship was to make certain that the decisions respecting every aspect of the workman's job would be reached by a highly specialized and expert technician.

**Responsibility.** Writers on the political and legal aspects of authority have emphasized that a primary function of organization is to enforce the conformity of the individual to norms laid down by the group, or by its authority-wielding members. The discretion of subordinate personnel is limited by policies determined near the top of the administrative hierarchy. When the maintenance of responsibility is a central concern, the purpose of vertical specialization is to assure legislative control over the administrator, leaving to the administrative staff adequate discretion to deal with technical matters which a legislative body composed of laymen would not be competent to decide.

In designing an organization all three factors—expertise, coordination, and responsibility—must be given weight. Taylor's theory, for example, has been deservedly criticized for ignoring the factors of coordination and responsibility, while some of his critics can perhaps be accused of undervaluing the importance of expertise in decision-making. The real question is one of how much each of these aims is to be sacrificed to the others, and our present knowledge of administrative theory does not permit us to give any *a priori* answer to this question.

#### *The Range of Discretion*

THE term "influence" covers a wide range, both in the degree to which one person affects the behavior of another and in the method whereby that influence is exercised. Without an analysis of these differences of degree and kind no realistic picture can be drawn of an administrative organization. It is because of its failure to account for variations in influence that the usual organization chart, with its oversimplified representation of the "lines of

authority," fails to record the complexity of actual organizations. The organization chart does not reveal the fact that the actual exercise of authority may, and often does, cut across formal organizational lines, and that forms of influence other than authority—information, training, identification—may be far more important than the former in securing coordination throughout the organization.

Influence is exercised in its most complete form when a decision promulgated by one person governs every aspect of the behavior of another. On the parade ground, the marching soldier is permitted no discretion whatsoever. His every step, his bearing, the length of his pace are all governed by authority. Frederick the Great is reported to have found the parade-ground deportment of his Guards perfect—with one flaw. "They breathe," he complained. Few examples could be cited, however, from any other realm of practical affairs where influence is exercised in such complete and unlimited form.

Most often, organizational influences place only partial limits upon the exercise of discretion. A subordinate may be told what to do, but given considerable leeway as to how he will carry out the task. The "what" is, of course, a matter of degree also and may be specified within narrower or broader limits. The commands of a captain at the scene of a fire place much narrower limits on the discretion of the firemen than those placed on a fire chief by the city charter which states in general terms the function of the fire department.

Since influence can be exercised with all degrees of specificity, in order to determine the scope of influence or authority which is exercised in any concrete case, it is necessary to dissect the decisions of the subordinate into their component parts and then determine which of these parts are controlled by the superior and which are left to the subordinate's discretion.

**Influence over Value and Fact.** Any ra-

tional decision may be viewed as a conclusion reached from certain premises. These premises are of two different kinds: value premises and factual premises—roughly equivalent to ends and means, respectively. Given a complete set of value and factual premises, there remains only one unique decision which is consistent with rationality. That is, with a given system of values and a specified set of possible alternatives, there is one alternative of the set which is preferable to the others.

The behavior of a rational person can be controlled, therefore, if the value and factual premises upon which he bases his decisions are specified for him. This control can be complete or partial—all the premises can be specified, or some can be left to his discretion. The scope of influence, and conversely the scope of discretion, are determined by the number and importance of the premises which are specified and the number and importance of those which are left unspecified.

There is one important difference between permitting a subordinate discretion over value premises and permitting him discretion over factual premises. The latter can always be evaluated as correct or incorrect in an objective, empirical sense (of course, we do not always have the evidence we would need to decide whether a premise is correct or incorrect, but at least the terms "correct" and "incorrect" are applicable to a factual premise). To a value premise, on the other hand, the terms "correct" and "incorrect" do not apply. To say that a means is correct is to say that it is appropriate to its end; but to say that an end is correct is meaningless unless we redefine the end as a means to some more final end—in which case its correctness as means ceases to be a value question and becomes a factual question.

Hence, if only factual premises are left to the subordinate's discretion, there is, under the given circumstances, only one decision which he can correctly reach. On the

other hand, if value premises are left to the subordinate's discretion, the "correctness" of his decision will depend upon the value premises he selects, and there is no universally accepted criterion of right or wrong which can be applied to his selection.<sup>1</sup>

This distinction between factual and value premises has an obvious bearing on the question of how discretion is to be reconciled with responsibility and accountability, and what the line of division is to be between "policy" and "administration." To pursue this subject further would take us beyond the bounds of the present analysis, and we leave it with a reference to two recent contributions to the problem.<sup>2</sup>

*Implications for Unity of Command.* When it is admitted that influence need extend to only a few of the premises of decision, it follows that more than one order can govern a given decision, provided that no two orders extend to the same premise. An analysis of almost any decision of a member of a formal organization would reveal that the decision was responsive to a very complex structure of influences.

Military organization affords an excellent illustration of this. In ancient warfare, the battlefield was not unlike the parade ground. An entire army was often commanded by a single man, and his authority extended in a very complete and direct form to the lowest man in the ranks. This was possible because the entire battlefield was within range of a man's voice and vision and because tactics were for the most

<sup>1</sup>In a sense, the discretion over factual questions which is left the operative is illusory, for he will be held accountable for reaching correct conclusions even with respect to those premises which are not specified in his orders. But it is a question of salient importance for the organization whether the subordinate is guided by orders in *making his decision* or whether he makes it on his own responsibility, subject to subsequent review. Hence, by "discretion" we mean only that standing orders and "on-the-spot" orders do not completely determine the decision.

<sup>2</sup>Wayne A. R. Leys, "Ethics and Administrative Discretion," 3 *Public Administration Review* 10-23 (Winter, 1943); and Herman Finer, "Administrative Responsibility in Democratic Government," 1 *Public Administration Review* 335-50 (Summer, 1941).

part executed by the entire army in unison.

The modern battlefield presents a very different picture. Authority is exercised through a complex hierarchy of command. Each level of the hierarchy leaves an extensive area of discretion to the level below, and even the private soldier, under combat conditions, exercises a considerable measure of discretion.

Under these circumstances, how does the authority of the commander extend to the soldiers in the ranks? How does he limit and guide their behavior? He does this by specifying the general mission and objective of each unit on the next level below and by determining such elements of time and place as will assure a proper coordination among the units. The colonel assigns to each battalion in his regiment its task; the lieutenant colonel to each company; the captain to each platoon. Beyond this the officer ordinarily does not go. The internal deployment of each unit is left to the officer in command of that unit. The United States Army Field Service Regulations specify that "an order should not trespass upon the province of a subordinate. It should contain everything that the subordinate must know to carry out his mission, but nothing more."<sup>1</sup>

So far as field orders go, then, the discretion of a subordinate officer is limited only by the specification of the objective of his unit and its general schedule. He proceeds to narrow further the discretion of his own subordinates so far as is necessary to specify what part each sub-unit is to play in accomplishing the task of the whole.

Does this mean that the decision of the officer is limited only by his objective or mission? Not at all. To be sure, the field order does not go beyond this point, for it specifies only the "what" of his action. But the officer is also governed by the tactical doctrine and general orders of the army which specify in some detail the

"how." When the captain receives field orders to deploy his company for an attack, he is expected to carry out the deployment in accordance with the accepted tactical principles in the army. In leading his unit, he will be held accountable for the "how" as well as the "what."

The same kind of analysis could be carried out for the man who actually does the army's "work"—the private soldier; and we would see that the mass of influences that bear upon his decisions include both direct commands and tactical training and indoctrination.

We find, then, that to understand the process of decision in an organization it is necessary to go far beyond the on-the-spot orders which are given by superior to subordinate. It is necessary to discover how the subordinate is influenced by standing orders, by training, and by review of his actions. It is necessary to study the channels of communication in the organization in order to determine what information reaches him which may be relevant to his decisions. The broader the sphere of discretion left to the subordinate by the orders given him, the more important become those types of influence which do not depend upon the exercise of formal authority.

Once this complex network of decisional influences comes into view it becomes difficult to defend either the sufficiency or the necessity of the doctrine of "unity of command." Its sufficiency must be questioned on the same grounds that the sufficiency of the organization chart is questioned: at best it tells only a half-truth, for formal authority is only one aspect—and that probably not the most important—of organizational structure.

The necessity of "unity of command" must be questioned because there do not appear to be any *a priori* grounds why a decision should not be subject to several organizational influences. Indeed, a number of serious students of administration have advocated this very thing—we have

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<sup>1</sup> U. S. Army Field Service Regulations (1941), p. 31.

already mentioned Taylor's theory of functional supervision—and their arguments cannot be waved aside with the biblical quotation that "no man can serve two masters."<sup>1</sup> It remains to be demonstrated that "unity of command" rather than "plurality of command" either is, or should be, the prevalent form of administrative structure.

### *Organizational Influences on the Subordinate*

THUS far we have been talking about the extent of the organization's influence over its employees. Next we must consider the ways in which this influence is exerted. The subordinate is influenced not only by command but also by his organizational loyalties, by his strivings toward "efficient" courses of action, by the information and advice which is transmitted to him through the organization's lines of communication, and by his training. Each of these items deserves brief discussion.

**Authority.** The concept of authority has been analyzed at length by students of administration. We shall employ here a definition substantially equivalent to that put forth by C. I. Barnard.<sup>2</sup> A subordinate is said to accept authority whenever he permits his behavior to be guided by a decision reached by another, without independently examining the merits of that decision. When exercising authority, the superior does not seek to convince the subordinate, but only to obtain his acquiescence. In actual practice, of course, authority is usually liberally admixed with suggestion and persuasion.

An important function of authority is to permit a decision to be made and carried out even when agreement cannot be reached, but perhaps this arbitrary aspect of authority has been overemphasized. In

any event, if it is attempted to carry authority beyond a certain point, which may be described as the subordinate's "zone of acquiescence," disobedience will follow.<sup>3</sup> The magnitude of the zone of acquiescence depends upon the sanctions which authority has available to enforce its commands. The term "sanctions" must be interpreted broadly in this connection, for positive and neutral stimuli—such as community of purpose, habit, and leadership—are at least as important in securing acceptance of authority as are the threat of physical or economic punishment.

It follows that authority, in the sense here defined, can operate "upward" and "sidewise" as well as "downward" in the organization. If an executive delegates to his secretary a decision about file cabinets and accepts her recommendation without re-examination of its merits, he is accepting her authority. The "lines of authority" represented on organization charts do have a special significance, however, for they are commonly resorted to in order to terminate debate when it proves impossible to reach a consensus on a particular decision. Since this appellate use of authority generally requires sanctions to be effective, the structure of formal authority in an organization usually is related to the appointment, disciplining, and dismissal of personnel. These formal lines of authority are commonly supplemented by informal authority relations in the day-to-day work of the organization, while the formal hierarchy is largely reserved for the settlement of disputes.

**Organizational Loyalities.** It is a prevalent characteristic of human behavior that members of an organized group tend to identify with that group. In making decisions their organizational loyalty leads them to evaluate alternative courses of action in terms of the consequences of their action for the group. When a person prefers a particular course of action because it

<sup>1</sup> For a recent advocacy of plural supervision, see MacMahon, Millet, and Ogden, *The Administration of Federal Work Relief* (Chicago: Public Administration Service, 1941), pp. 265-68.

<sup>2</sup> Chester I. Barnard, *The Functions of the Executive* (Cambridge: Harvard University Press, 1940), pp. 163ff.

<sup>3</sup> Barnard calls this the "zone of indifference" (*op. cit.*, p. 169), but I prefer the term "acquiescence."

is "good for America," he identifies with Americans; when he prefers it because it will "boost business in Berkeley," he identifies with Berkeleyans. National and class loyalties are examples of identifications which are of fundamental importance in the structure of modern society.

The loyalties which are of particular interest in the study of administration are those which attach to administrative organizations or segments of such organizations. The regimental battle-flag is the traditional symbol of this identification in military administration; in civil administration, a frequently encountered evidence of identification is the cry: "Our Bureau needs more funds!"

The psychological bases of identification are obscure, but seem to involve at least three elements. First, personal success often depends upon organizational success—the administrator who can build up his unit expects (with good reason) promotion and salary increases. Second, loyalty seems based partly on a transfer to the field of public management of the spirit of competition which is characteristic of private enterprise. Third, the human mind is limited in the number of diverse considerations which can occupy the area of attention at one time, and there is a consequent tendency to overemphasize the importance of those elements which happen to be within that area. To the fireman, fires are the most serious human problem; to the health officer, disease, and so forth.

This phenomenon of identification, or institutional loyalty, performs one very important function in administration. If an administrator, each time he is faced with a decision, must perform evaluate that decision in terms of the whole range of human values, rationality in administration is impossible. If he need consider the decision only in the light of limited organizational aims, his task is more nearly within the range of human powers. The fireman can concentrate on the problem of fires, the

health officer on problems of disease, without irrelevant considerations entering in.

Furthermore, this concentration on a limited range of values is almost essential if the administrator is to be held accountable for his decisions. When the organization's objectives are specified by some higher authority, the major value-premise of the administrator's decisions is thereby given him, leaving to him only the implementation of these objectives. If the fire chief were permitted to roam over the whole field of human values—to decide that parks were more important than fire trucks, and consequently to remake his fire department into a recreation department—chaos would displace organization, and responsibility would disappear.

Organizational loyalties lead also, however, to certain difficulties which should not be underestimated. The principal undesirable effect of identification is that it prevents the institutionalized individual from making correct decisions in cases where the restricted area of values with which he identifies must be weighed against other values outside that area. This is a principal cause of the interbureau competition and wrangling which characterizes any large administrative organization. The organization members, identifying with the bureau instead of with the over-all organization, believe the bureau's welfare more important than the general welfare when the two conflict. This problem is frequently evident in the case of "housekeeping" agencies, where the facilitative and auxiliary nature of the agency is lost sight of in the effort to force the line agencies to follow standard procedures.

Institutional loyalties also result in incapacitating almost any department head for the task of balancing the financial needs of his department against the financial needs of other departments—whence the need for a centrally located budget agency which is free from these psychological biases. The higher we go in the adminis-

trative hierarchy, the broader becomes the range of social values which must come within the administrator's purview, the more harmful is the effect of valuational bias, and the more important is it that the administrator be freed from his narrower identifications.

*The Criterion of Efficiency.* We have seen that the exercise of authority and the development of organizational identifications are two principal means whereby the individual's value premises are influenced by the organization. What about the issues of fact which underly his decisions? These are largely determined by a principle which underlies all rational behavior: the criterion of efficiency. In its broadest sense, to be efficient simply means to take the shortest path, the cheapest means, toward the attainment of the desired goals. The efficiency criterion is completely neutral as to what goals are to be attained.

The concept of efficiency has been discussed at length by economists and writers on administration, and there is little that can be added to that discussion within the scope of the present paper. Suffice it to say that the commandment: "Be efficient!" is a major organizational influence over the decisions of the members of any administrative agency; and a determination whether this commandment has been obeyed is a major function of the review process.<sup>1</sup>

*Advice and Information.* Many of the influences the organization exercises over its members are of a less formal nature than those we have been discussing. These influences are perhaps most realistically viewed as a form of internal public relations, for there is nothing to guarantee that advice produced at one point in an organization will have any effect at another point in the organization unless the lines of communication are adequate to its transmission

and unless it is transmitted in such form as to be persuasive. It is a prevalent misconception in headquarters offices that the internal advisory function consists in preparing precisely-worded explanatory bulletins and making certain that the proper number of these are prepared and that they are placed in the proper compartment of the "router." No plague has produced a rate of mortality higher than the rate which customarily afflicts central-office communications between the time they leave the issuing office and the moment when they are assumed to be effected in the revised practice of the operative employees.

These difficulties of communication apply, of course, to commands as well as to advice and information. As a matter of fact, the administrator who is serving in an advisory capacity is apt to be at some advantage in solving problems of communication, because he is likely to be conscious of the necessity of transmitting and "selling" his ideas, while the administrator who possesses authority may be oblivious of his public-relations function.

Information and advice flow in all directions through the organization—not merely from the top downward. Many of the facts which are relevant to decision are of a rapidly changing nature, ascertainable only at the moment of decision, and often ascertainable only by operative employees. For instance, in military operations knowledge of the disposition of the enemy's forces is of crucial importance, and military organization has developed elaborate procedures for transmitting to a person who is to make a decision all relevant facts which he is not in a position to ascertain personally.

Information and advice may be used as alternatives to the actual exercise of authority, and vice versa. Where promptness and discipline are not primary considerations, the former have several very impressive advantages. Chief among these is that they preserve morale and initiative on the part

<sup>1</sup> For further discussion of the efficiency concept, see Clarence E. Ridley and Herbert A. Simon, *Measuring Municipal Activities* (Chicago: International City Managers' Association, 1943).

of the subordinate—qualities which may disappear if excessively harassed by authority. Again, when the influences are advisory in nature, the formal organization structure loses its unique position as the sole channel of influence. The relation between the adviser and the person advised is essentially no different when they are members of the same organization than when the adviser is outside the organization. The extent of the influence of the adviser will depend on the desire of the decision-maker for advice and on the persuasiveness with which it is offered.

*Training.* Like institutional loyalties, and unlike the other modes of influence we have been discussing, training influences decisions "from the inside out." That is, training prepares the organization member to reach satisfactory decisions himself, without the need for the constant exercise of authority or advice. In this sense, training procedures are alternatives to the exercise of authority or advice as means of control over the subordinate's decisions.

Training may be of an in-service or a pre-service nature. When persons with particular educational qualifications are recruited for certain jobs, the organization is depending upon this pre-training as a principal means of assuring correct decisions in their work. The mutual relation between training and the range of discretion which may be permitted an employee is an important factor to be taken into consideration in designing the administrative organization. That is, it may often be possible to minimize, or even dispense with, certain review processes by giving the subordinates training which enables them to perform their work with less supervision. Similarly, in drafting the qualifications required of applicants for particular positions, the possibility should be considered of lowering personnel costs by drafting semi-skilled employees and training them for particular jobs.

Training is applicable to the process of

decision whenever the same elements are involved in a large number of decisions. Training may supply the trainee with the facts necessary in dealing with these decisions, it may provide him a frame of reference for his thinking, it may teach him "approved" solutions, or it may indoctrinate him with the values in terms of which his decisions are to be made.

Training, as a mode of influence upon decisions, has its greatest value in those situations where the exercise of formal authority through commands proves difficult. The difficulty may lie in the need for prompt action, in the spatial dispersion of the organization, or in the complexity of the subject matter of decision which defies summarization in rules and regulations. Training permits a higher degree of decentralization of the decision-making process by bringing the necessary competence into the very lowest levels of the organizational hierarchy.

*Implications for Organization.* It can be seen that there are at least five distinct ways in which the decisions of operative employees may be influenced: authority, identification, the efficiency criterion, advice, and training. It is the fundamental problem of organization to determine the extent and the manner in which each of these forms of influence is to be employed. To a very great extent, these various forms are interchangeable—a fact which is far more often appreciated in small than in large organizations.

The simplest example of this is the gradual increase in discretion which can be permitted an employee as he becomes familiar with his job. A secretary learns to draft routine correspondence; a statistical clerk learns to lay out his own calculations. In each case, training has taken the place of authority in guiding the employee's decisions.

Another illustration is the process of functional supervision whereby technical experts are given advisory, but not usually

authoritative, relations with subordinate employees. This substitution of advice for authority may prove necessary in many situations in order to prevent conflicts of authority between line officers, organized on a geographical basis, and functional experts, organized along subject-matter lines. To the extent that these forms of influence supplement, or are substituted for, authority, the problem of influence becomes one of education and public relations, as has already been explained.

Administrators have increasingly recognized in recent years that authority, unless buttressed by other forms of influence, is relatively impotent to control decision in any but a negative way. The elements entering into all but the most routine decisions are so numerous and so complex that it is impossible to control positively more than a few. Unless the subordinate is himself able to supply most of the premises of decision, and to synthesize them adequately, the task of supervision becomes hopelessly burdensome. To cite an extreme illustration: no amount of supervision or direction, and no quantity of orders, directives, or commands, would be sufficient to enable a completely untrained person to prepare a legal brief for a law suit. In such a case, the problem is definitely not one of direction, but one of education or training.

Viewed from this standpoint, the problem of organization becomes inextricably interwoven with the problem of recruitment. For the system of influence which can effectively be used in the organization will depend directly upon the training and competence of employees at the various levels of the hierarchy. If a welfare agency can secure trained social workers as interviewers and case workers, broad discretion can be permitted them in determining eligibility, subject only to a sampling review and a review of particularly difficult cases. If trained workers can be obtained only for supervisory positions, then the supervisors

will need to exercise a much more complete supervision over their subordinates, perhaps reviewing each decision and issuing frequent instruction. The supervisory problem will be correspondingly more burdensome than in the first example, and the effective span of control of supervisors correspondingly narrower.

Likewise, when an organization unit is large enough so that it can retain within its own boundaries the specialized expertise that is required for some of its decisions, the need for functional supervision from other portions of the organization becomes correspondingly less. When a department can secure its own legal, medical, or other expert assistance, the problems of functional organization become correspondingly simpler, and the lines of direct authority over the department need less supplementation by advisory and informational services.

Hence, problems of organization cannot be considered apart from the specifications and actual qualifications of the employees who are to fill the positions established by the organization. The whole subject of job classification must be brought into close coordination with the theory of organization. The optimum organizational structure is a variable, depending for its form upon the staffing of the agency. Conversely, the classification of a position is a variable, depending upon the degree of centralization or decentralization which is desired or anticipated in the operation of the organizational form.

#### *The Communication of Influence*

IT HAS already been pointed out that if it is wished to bring orders or advice to bear on the decisions of a subordinate, the orders or advice must be communicated to the subordinate; and that this communication is not merely a matter of physical transmission, but a process of actually inducing changes in the subordinate's behavior. The costs of the communication process are

comparable to, and as real as, a manufacturer's advertising costs.

A manufacturer determines his advertising budget by the amount by which additional advertising will increase sales. When the additional receipts he expects are no longer sufficient to cover the additional advertising and manufacturing costs, he stops the expansion of his advertising program. An approach of a very similar kind needs to be introduced in the designing of administrative organizations. The cost of "producing" decisions in the supervisory staff and the cost of communicating these decisions to the operating personnel must be weighed against the expected increase in effectiveness of the latter.

The different forms of organizational influence must be balanced against each other in the same way. A training program involves a large initial investment in each operative employee, but low "maintenance" costs; orders and commands require no initial investment, but high and continuous costs of "production" and communication; if pre-trained employees are recruited, salaries may be higher, but a less elaborate supervisory structure will be required; and so forth. Again, we have reached a question of *how much*, and theory, without data, cannot give us an answer.

#### *Administrative Processes for Insuring Correct Decisions*

HAVING analyzed the various kinds of influence which condition the decisions of members of administrative organizations, we turn next to some concrete administrative processes to see how they fit into our scheme of analysis. The first of these is planning—the process whereby a whole scheme is worked out in advance before any part of it is carried out through specific decisions. The second of these is review—the process whereby subordinates are held to an accounting for the quality of

their decisions and of the premises from which these decisions were reached.

*Planning.* Plans and schedules are ordinarily carried into effect by the exercise of authority, but of greater importance than this final act of approving or authorizing a plan are the decisional processes which go into the making of the plan. Planning is an extremely important decision-making process because of the vast amount of detail that can be embodied in the plan for a complex project and because of the broad participation that can be secured, when desirable, in its formulation.

As a good illustration of this we may summarize the procedure a navy department goes through in designing a battleship, as described by Sir Oswyn A. R. Murray. First, the general objectives are set out—the speed, radius of action, armor, and armament it is desired to attain in the finished design. Next, several provisional designs are developed by a staff of "generalists" who are familiar with all aspects of battleship design. On the basis of these alternative provisional designs, a final decision is reached on the general lines of the new ship. At this point the specialists are brought in to make recommendations for the detailed plan. Their recommendations will often require modification of the original design, and they will often recommend mutually conflicting requirements. To continue with Sir Oswyn's description:

In this way the scheme goes on growing in a tentative manner, its progress always being dependent upon the cooperation of numbers of separate departments, all intent upon ensuring the efficiency of different parts, until ultimately a more or less complete whole is arrived at in the shape of drawings and specifications provisionally embodying all the agreements. This really is the most difficult and interesting stage, for generally it becomes apparent at this point that requirements overlap, and that the best possible cannot be achieved in regard to numbers of points within the limits set to the contractors. These difficulties are cleared up by discussion at round-table conferences, where the compromises which will least impair the value of the ship are agreed upon, and

the completed design is then finally submitted for the Board's approval. Some fourteen departments are concerned in the settlement of the final detailed arrangements.<sup>1</sup>

The point which is so clearly illustrated here is that the planning procedure permits expertise of every kind to be drawn into the decision without any difficulties being imposed by the lines of authority in the organization. The final design undoubtedly received authoritative approval, but, during the entire process of formulation, suggestions and recommendations flowed freely from all parts of the organization without raising the problem of "unity of command." It follows from this that to the extent to which planning procedures are used in reaching decisions, the formal organization has relevance only in the final stages of the whole process. So long as the appropriate experts are consulted, their exact location in the hierarchy of authority need not much affect the decision.

This statement must be qualified by one important reservation. Organizational factors are apt to take on considerable importance if the decision requires a compromise among a number of competing values which are somewhat incompatible with each other. In such a case, the focus of attention and the identifications of the person who actually makes the decision are apt to affect the degree to which advice offered him by persons elsewhere in the organization actually influences him.

Our illustration of the warship throws into relief the other aspect of the planning process which was mentioned above: that the plan may control, down to minute detail, a whole complex pattern of behavior—in this case, the construction of the battleship down to the last rivet. The task of the construction crew is minutely specified by this design.

**Review.** Review enables those who are in a position of authority in the administra-

tive hierarchy to determine what actually is being done by their subordinates.

Review may extend to the results of the subordinate's activities measured in terms of their objectives; to the tangible products, if there are such, of his activities; or to the method of their performance.

When authority is exercised through the specification of the objective of the organizational unit, then a primary method of review is to ascertain the degree to which the organizational objective is attained—the results of the activity. A city manager, for instance, may evaluate the fire department in terms of fire losses, the police department in terms of crime and accident rates, the public works department in terms of the condition of streets and the frequency of refuse collection.

A second very important method of review is one which examines each piece of completed work to see whether it meets set requirements of quantity and quality. This method assumes that the reviewing officer is able to judge the quality and quantity of the completed work with a certain degree of competence. Thus, a superior may review all outgoing letters written by his subordinates, or the work of typists may be checked by a chief clerk, or the work of a street repair crew may be examined by a superintendent.

It has not often enough been recognized that in many cases the review of work can just as well be confined to a randomly selected sample of the work as extended to all that is produced. A highly developed example of such a sampling procedure is found in the personnel administration of the Farm Credit Administration. This organization carries out its personnel functions on an almost completely decentralized basis, except for a small central staff which lays down standards and procedures. As a means of assuring that local practices follow these standards, field supervisors inspect the work of the local agencies and, in the case of certain personnel procedures

<sup>1</sup> "The Administration of a Fighting Service," 1 *Journal of Public Administration* 216-17 (July, 1923).

such as classification, the setting of compensation scales, and the development of testing materials, assure themselves of the quality of the work by an actual inspection of a sample of it.

The third, and perhaps simplest, method of review is to watch the employee at work, either to see that he puts in the required number of hours, or to see that he is engaging in certain movements which if continued will result in the completion of the work. In this case, the review extends to procedures and techniques, rather than to the product or results. It is the prevalent form of review at the foremanship level.

To determine what kind of a review method should be employed in any concrete administrative situation, it is necessary to be quite clear as to what this particular review process is to accomplish. There are at least four different functions which a review process may perform: diagnosis of the quality of decisions being made by subordinates, modification through influence on subsequent decisions, the correction of incorrect decisions which have already been made, the enforcement of sanctions against subordinates so that they will accept authority in making their decisions.<sup>1</sup>

In the first place, review is the means whereby the administrative hierarchy learns whether decisions are being made correctly or incorrectly, whether work is being done well or badly at the lower levels of the hierarchy. It is a fundamental source of information upon which the higher levels of the hierarchy must rely heavily for their own decisions. With the help of this information, improvements can be introduced into the decision-making process.

This leads to the second function of review—to influence subsequent decisions. This is achieved in a variety of ways. Or-

ders may be issued covering particular points on which incorrect decisions have been made or laying down new policies to govern decisions; employees may be given training or retraining with regard to those aspects of their work which review has proved faulty; information may be supplied them, the lack of which has led to incorrect decisions. In brief, change may be brought about in any of the several ways in which decisions can be influenced.

Third, review may perform an appellate function. If the individual decision has grave consequences, it may be reviewed by a higher authority, to make certain that it is correct. This review may be a matter of course, or it may occur only on appeal by a party at interest. The justification of such a process of review is that (1) it permits the decision to be weighed twice, and (2) the appellate review requires less time per decision than the original decision, and hence conserves the time of better-trained personnel for the more difficult decisions. The appellate review may, to use the language of administrative law, consist in a consideration *de novo*, or may merely review the original decision for substantial conformity to important rules of policy.

Fourth, review is often essential to the effective exercise of authority. Authority depends to a certain extent on the availability of sanctions to give it force. Sanctions can be applied only if there is some means of ascertaining when authority has been respected, and when it has been disobeyed. Review supplies the person in authority with this information.

Decision making is said to be centralized when only a very narrow range of discretion is left to subordinates; decentralized when a very broad range of discretion is left. Decision making can be centralized either by using general rules to limit the discretion of the subordinate or by taking out of the hands of the subordinate the actual decision-making function. Both of these processes fit our definition of cen-

<sup>1</sup> A somewhat similar, but not identical, analysis of the function of review can be found in Sir H. N. Bunbury's paper, "Efficiency as an Alternative to Control," 6 *Public Administration* 97-98 (April, 1928).

tralization because their result is to take out of the hands of the subordinate the actual weighing of competing considerations and to require that he accept the conclusions reached by other members of the organization.

There is a very close relationship between the manner in which the function of review is exercised and the degree of centralization or decentralization. Review influences decisions by evaluating them and thereby subjecting the subordinate to discipline and control. Review is sometimes conceived as a means of detecting wrong decisions and correcting them. This concept may be very useful as applied to those very important decisions where an appellate procedure is necessary to conserve individual rights or democratic responsibility; but, under ordinary circumstances, the function of correcting the decisional processes of the subordinate which lead to wrong decisions is more important than the function of correcting wrong decisions.

Hence, review can have three consequences: (1) if it is used to correct individual decisions, it leads to centralization and an actual transfer of the decision-making functions; (2) if it is used to discover where the subordinate needs additional guidance, it leads to centralization through the promulgation of more and more complete rules and regulations limiting the subordinate's discretion; (3) if it is used to discover where the subordinate's own resources need to be strengthened, it leads to decentralization. All three elements can be, and usually are, combined in varying proportions in any review process.

#### Summary

WE MAY now briefly retrace the path we have traveled in the preceding pages. We have seen that a decision is analogous to a conclusion drawn from a number of premises—some of them factual and some ethical. Organization involves a "horizontal" specialization of work and a "vertical"

specialization in decision making—the function of the latter being to secure coordination of the operative employees, expertness in decision making, and responsibility to policy-making agencies.

The influence of an organization, and its supervisory employees, upon the decisions of the operative employees can be studied by noting how the organization determines for the operative employee the premises—factual and ethical—of his decisions. The organization's influence is a matter of degree. As we travel from top to bottom of the administrative hierarchy, we note a progressive particularization of influence. Toward the top, discretion is limited by the assignment of broad objectives and the specification of very general methods; lower in the hierarchy, more specific objectives are set, and procedures are determined in greater detail.

Within the limits fixed by his superiors, each member of the organization retains a certain sphere of discretion, a sphere within which he is responsible for the selection of premises for decision. For the most part, this sphere of discretion lies within the factual area of the decisional process rather than within the area of values; but the individual's decision is not "free" even within the area of discretion, in the sense that his superiors are indifferent what decision he will make. On the contrary, he will be held for the correctness of his decision even within that area.

There are at least five ways in which influence is exerted over the individual: (1) authority, (2) identification, (3) the criterion of efficiency, (4) advice and information, and (5) training. To a large extent, these are interchangeable, and a major task of administration is to determine to what extent each will be employed. The structure of influence in an organization and the lines of communication are far more complex than the structure of authority. In designing an organization, it is not enough to establish lines of authority; it is equally

important to determine the ways in which all forms of influence are to be exercised.

Two organizational processes are of particular importance to decision making: planning and review. Planning permits the control of decisions in very great detail and permits all the available expertise to be brought to bear on a particular decision, with little concern for the lines of formal authority. Review is a source of information to the administrative hierarchy, a means of influencing subsequent decisions of subordinates, a means for correcting decisions on important individual matters, and a means for enforcing authority by determining when sanctions need to be applied. Depending upon the way in which they are employed, review processes may lead either to the centralization or to the decentralization of decision making.

# Central-Field Relationships in the War Production Board

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**F**EW problems of management in federal wartime organization have proved more challenging to administrative ingenuity than that of stabilizing the central-field relations of the War Production Board.

The elements of the present field organization of WPB appeared in the early organization of the Office of Production Management. In June, 1941, countless problems confronted OPM in its effort to mobilize the nation's productive resources. The country was technically at peace, and strong elements within and outside of industry opposed intervention, whether overt or disguised. There was need for haste. Estimates of requirements for materials and products were necessarily unreliable, since the full measure of our contribution was not yet determined. The task of inducing industrial conversion, through the progressive curtailment of civilian-type products and the retooling of facilities, was tedious, especially in the absence of a master plan. Bottlenecks were appearing, notably in the area of machine tools, and a great program of industrial expansion had to be laid out. Relationships between civilian and military authorities respecting procurement policy were unclear. Washington was a crossroads of businessmen seeking counsel, contracts, or both. Small business, sensitive to the impact of war, sought to stem the force of economic concentration. Orders and regulations multiplied daily. Labor was demanding with increasing urgency an equal partnership in production management.

## I

NTERNALLY, OPM felt the need for a strong pattern of departmental organization. As the war came nearer, OPM found itself with no unified field organization; instead, several substantially autonomous field systems existed within the agency, lacking coordination both in the field and in Washington.

On June 17, 1941, E. R. Stettinius, Jr., Director of Priorities, announced the establishment of a Priorities Division field organization to assist businessmen and manufacturers in applying for preference ratings, filling out forms and questionnaires, adapting business practices to new conditions, and obtaining interpretations of regulations.

Already in the field were the offices of the Division of Contract Distribution, which at that time sought to persuade governmental procuring agencies such as the War and Navy Departments, together with prime contractors, to use all existing productive facilities through farming out contracts to small business concerns. The priorities branch offices were joined physically with the contract distribution offices, but each retained its functional identity. Soon added to the company was the field staff of the OPM Information Division, charged with handling public relations on behalf of all OPM constituents.

The time element ruled out a careful mapping of administrative areas and the installation of administrative services. In the circumstances, the governors of the Federal Reserve System came forward with a

hospitable offer of space, communication facilities, and personnel in their regional and district banks. The offer was accepted. It was a solution which permitted an immediate proliferation of field offices, provided a chance to experiment with untried programs, and deferred the establishment of housekeeping services. Thus, OPM developed in part within a primary pattern of borrowed regions.

Other OPM divisions subsequently developed field organizations but side-stepped the federal reserve structure used by the Priorities, Contract Distribution, and Information Divisions. The Labor Division decentralized its training branch in twenty-two special districts which corresponded to the major areal concentrations of industry. The labor supply branch developed a decentralized committee system geared to the regional system of the United States Employment Service.

When the Priorities Division had first begun to contemplate the establishment of a field force, a survey committee journeyed into the field to seek criteria upon which to build the pattern of organization. At one stage, it was thought that the solution would be in the assignment of priorities experts to work in the field offices of the Division of Contract Distribution. This, however, was ruled out when it was realized that the Contract Distribution Division was avowedly out to get business for stricken firms and that it viewed without affection the repressive functions of the Priorities Division. The various labor groups within OPM likewise saw no advantage to be derived from amalgamation with the priorities or subcontracting groups in the field. Each group desired to maintain its institutional identity, arguing that singleness of purpose made for better results. This cleavage of interests, while actually calling for coordination, seemed to justify the establishment of independent field organizations within the OPM framework. In the field, therefore, each OPM division was permitted to work out its own salva-

tion. In the course of time, this system had the effects of confusing the public, increasing administrative overhead, introducing unwholesome rivalries within OPM, enlarging the problem of command for Washington, and violating the rubric of organizational simplicity.

The federal reserve pattern did not for long satisfy the needs of the three divisions using it. The priorities branch offices daily encountered an increasing work load as the list of restrictive orders and regulations grew. The business hours of the banks were strict, and visitors to the OPM offices were often inconvenienced. The imposing premises and the escorts of armed guards were other features which tended to discourage second visits by small manufacturers. Some difference of opinion with the banks arose because of the desire of OPM to install and control its own administrative services and communication systems. Part-time personnel was no longer adequate. Space requirements of the OPM offices were outstripping the facilities available in the banks. The federal reserve regions themselves were not adapted to the needs of the Priorities Division, having been designed to follow the flow of bank reserves. Gradually, the Priorities Division seceded from the federal reserve pattern, locating its field offices strategically in the light of the growing work load.

The Division of Contract Distribution likewise broke away from the banks, partly for similar reasons and partly because the division had altered its role from that of a production management unit to that of the champion of hard-pressed small business. It was a popular agency and had acquired new leadership. The task of recasting its field organization was given to Frank Bane, executive director of the Council of State Governments. The division became organized into forty-eight state offices and hundreds of district offices which were integrated at the state level. It was felt that in this way the subcontracting offices could be coordinated with the state defense councils

which in many instances had been created in order to draw munitions contracts into their states.

The difficulties of operating through a nonintegrated field organization were apparent to OPM officials. In the late spring of 1941, indirect efforts were being undertaken to induce cohesion. For purposes of preparing a budget submittal, the estimates of each OPM division having a field program were grouped under twelve field offices selected after studies of industrial concentration, transportation, and the location of field offices of other agencies. It was hoped by OPM budget authorities that by placing administrative assistants in each of the twelve principal offices, some control might be exercised over personnel coming into the field to perform added functions, thereby preventing the further spread of separate field organizations. The twelve administrative assistants would handle space problems, procure supplies, and process some personnel actions. Only three or four of these functionaries were actually put to work, but consideration of this plan led into broader thinking relative to the establishment of central services for all constituent agencies of the Office for Emergency Management in the field. The Bureau of the Budget and the OEM Division of Central Administrative Services began to formulate a plan to this end.

On September 22, 1941, Wayne Coy, then liaison officer for OEM, addressed a letter to the heads of all agencies in OEM, stating that "as the number of defense field offices grows, it becomes increasingly important that some measure of coordination and some provision for central services be established." Mr. Coy's letter continued:

The location of field offices of the several defense agencies should be planned and coordinated as a part of the entire defense organization. To this end I am requesting that all OEM agencies advise this office of their proposals to establish field offices in order that the OEM may have an opportunity to advise the interested agency concerning the relationship of the proposed plan to the total defense field service. . . .

It is obviously desirable that field offices of OEM agencies be located to the extent practicable in common field centers in order to assure maximum coordination of effort and to facilitate the provision of necessary office services. A study recently made indicates the advisability of the following cities being designated for defense field activities: Boston, New York, Philadelphia, Atlanta, Cleveland, Chicago, St. Louis, Dallas, Denver, San Francisco, and Seattle.

While it is understood that field service patterns will vary because of the different requirements and programs of the defense agencies, it will greatly facilitate the coordinating process if field activities of OEM agencies are located in the above field centers wherever possible. The location of field staffs in such common field centers will have maximum value if the various offices in a field center are established in adjacent space within the same building.

At the same time it was announced that OEM agencies would be provided with common administrative services through CAS representatives situated in these field centers. While bare reference was made to the matter of uniform regional boundaries, it was hoped that areas would become co-terminal, and recommendations based upon the NRA study of natural areas of trade were put forward.

The "instinct for institutional survival" coupled with administrative inertia and a widespread wariness of what had been termed the "coordinating process" imposed severe limitations upon the plan. The extent to which a service agency like CAS can become a coordinating force is prone to exaggeration. The very nature of the house-keeping agency's duties makes it a target for abuse. Lacking budgetary authority, CAS could not live up to the coordinating aspirations which some observers attributed to it. The catalytic function of external co-ordination, dependent as it is upon qualities of neutrality, knowledge, fairness, and authority, is probably the most difficult in the science of management.

The OEM plan was accepted in part by the OPM divisions, but the regional areas provisions were to be adopted only "when and if" it was decided to follow regional lines.

In January, 1942, the OPM was abolished, and was replaced by the War Production Board under Donald M. Nelson as chairman. The change resulted in a new outlook for decentralized operations. Under the Division of Industry Operations there was established a field operations bureau to exercise administrative control over the priorities and contract distribution field offices, which were integrated. The field operations bureau became a clearing-house for central-field relations within WPB, coordinating the flow of communications in both directions and resolving misunderstandings. Policy-making authority was reserved to the functional divisions in Washington.

This expedient in the direction of integration fell short of the goal. Still outside the sphere of coordination were the various field organizations of the Labor Division, the Bureau of Industrial Conservation, and certain of the industry branches. Mr. Nelson directed the Bureau of Field Operations to prepare a plan for the unification of WPB's field operations. Resistance immediately developed from all the functional divisions which maintained autonomous field organizations, stemming from a natural reluctance to dilute their program responsibility by a delegation of "administrative" authority to regional heads beyond their reach.

Despite strong expressions of disagreement from within WPB, Mr. Nelson announced, on April 25, 1942, the establishment of thirteen regional offices, each to operate under a regional director who would be "responsible for the field operations of the War Production Board . . . under policies promulgated in Washington." Nelson himself was to appoint the regional directors, who would report to the chairman through the Director of Industry Operations. At the same time, all existing field offices of WPB were discontinued as autonomous units and brought into the unified regional organization. The Bureau of Field Operations was abolished and re-

placed by a deputy to the Director of Industry Operations. This expedient happily eliminated the difficulties faced by a headquarters staff which had tried to coordinate field affairs without adequate authority or organizational status, and in theory brought the regional offices closer to the general manager of WPB's operations. Equally important, the Nelson order established the concept of "dual hierarchy" whereby regional heads were to be administratively supreme in their areas, but functionally obliged to accept directions from Washington.

The decentralization program of WPB was announced to the accompaniment of newspaper articles and radio transcriptions. Industry and the public were told that "little Donald Nelsons" had been placed at the heads of the regional offices and equipped with the apparatus for resolving production problems at their source. And the Director of Industry Operations was quoted as saying that "our plan is to place as much authority as possible for WPB operations in these new regional offices."

## II

THE problem of delegation of authority beset the OPM at an early date. A regulatory agency of the government, charged with the duty of applying particularly repressive controls in a situation of worsening crisis and alive to the implications of the counsel of fair play, naturally views with suspicion the technique of decentralizing discretionary powers to a far-flung and untested field organization.

The Priorities Division of OPM had delegated very meager powers to its field offices. The latter were no more than informational outposts designed to obtain information in response to technical inquiries, or to render a mechanical sort of aid in the preparation of forms. Under no circumstances could the field offices make final decisions, and such recommendations as they might make to Washington were only with reference to applications for

materials for use in low-cost housing projects approved by the regional representative of the national housing coordinator. Decisions on individual priorities applications were made by Washington, and the field staff found cause for pride if a reply was secured on a locally-filed application within two weeks. There was plenty of work. Interviews with businessmen and manufacturers numbered thousands every month, and vast numbers of application forms passed through the field offices for scrutiny of a mechanical nature. Evidences of over-work became apparent, with a depreciation of efficiency and morale, because of the necessity for keeping up with changing regulations and at the same time handling the work load. To add to the confusion, OPM operations in those days were handled by "newspaper direction"—meaning that policies were released to the press in Washington before being communicated to the field offices.

The official attitude of OPM with regard to the delegation of authority may be gathered from the following excerpt from a letter written by an official of the agency, in November, 1941:

Two considerations make it important that the defense agencies continue to use Washington as their national headquarters. In the first place, these agencies are impelled both by their legal authority and the necessities of the situation to ask for drastic changes in ordinary ways of life. The prestige of a Washington address is a psychological factor that cannot be lightly disregarded in the working of a program whose principal premise is that voluntary compliance, rather than coercion, must be the dominant motif of a democracy's effort to defend itself. In the second place, new agencies need to be in very close touch with the White House, which is the center of policy formulation and coordination for the defense program. From the standpoint of both the President and the defense agencies there are the most powerful reasons for facilitating the maintenance of close contact.

I concur in the general desirability of full utilization of field offices for more intimate contact with various parts of the country. Extensive use of field offices is handicapped at present, however, by the fact that defense agencies cannot delegate authority to their field agents until the rate of new

policy making has declined to a point where careful procedures and clear outlines of duties can be prescribed for field offices. Chaos would be the only result of decentralization of any powers other than those for the handling of routine non-discretionary matters and educational functions.

The reluctance of OPM to delegate authority to its field offices was in large part due to its experience with the extremely uneven administration of priorities ratings by the field offices of the armed services. It was no secret in industrial circles that a manufacturer could get a higher rating on his application for materials by shopping around the various field offices of the services, which were in keen competition with one another, and which made no attempt to follow uniform criteria. To OPM, the wise course seemed to be in the direction of a more stringent husbanding of authority.

Following the transformation of OPM into WPB, there was still an unwillingness on the part of the functional heads in the Washington organization to yield the administration of materials controls to thirteen subchairmen, each of whom might have original ideas about production management. Moreover, there was a prejudice against the regional organization on grounds of immaturity: while there was no proof that the regions could not handle authority, neither was there proof that they could. Industrial conversion called for planning, which in turn seemed to call for centralization rather than decentralization. Materials and tools were critically scarce, pointing to the need for strict distribution controls. Lacking stable criteria, it was not possible to issue policy manuals to guide the exercise of decentralized authority. Washington officials doubted the presence of expertise in the field offices, declaring that between the field and Washington "it is the difference between the country doctor and the specialist." But the ultimate rationalization of the failure to decentralize authority lay in the seeming irreconcilability of the administrative command centered

in the regional directors with the program responsibility of the functional heads. This cleavage was not remedied by the organizational device which made the regional directors and the functional heads commonly responsible to the Director of Industry Operations.

It was not surprising, therefore, that in July, 1942, one regional director was heard to complain that "the regions have plenty of initiative, and no authority." And contemporaneously the regional directors were being rebuked because they had attempted to meet local flood situations by issuing emergency priorities for repairs. In the latter case, Washington commented that even though the merits of the situation justified the issuance of priorities, the regional directors had exceeded their authority to the extent of disregarding procedures which reserved the authority to the Washington organization.

Two practices of the Washington organization were especially depressive of regional morale in those months. One of these was the tendency of the functional branches to send flying squads into the regions for the purpose of curing production problems. The field organization, feeling itself fully equipped to run such errands, regarded with disfavor the appearance of the trouble-shooters, especially when they failed to make their presence known. The second unpalatable practice was the Washington organization's habit of releasing policy decisions to the news services before properly notifying the field in order that the latter might prepare itself for an avalanche of local inquiries. As a result of this unfortunate practice, the obvious ignorance of the field offices caused industry to lose confidence in the local organizations and bypass them to deal directly with Washington. Protesting, one regional director declared that "the importance of the regional boards' operations should be systematically built up in the public mind. Territorial activities of the WPB should be made public only through the regional office con-

cerned, even though the decision publicized is made in Washington."

The regional directors soon were matching the arguments of the industry branches in the controversy over delegated authority. They pointed out that a locally-made decision is a better-informed one. They declared that a local investigator could ascertain more easily than Washington whether available plant capacity in a given area could be used in lieu of new construction. They demonstrated that by matching applications for new tools against local lists of available tools having open shifts from time to time, substantial savings would result in men, materials, and time. They contended that there was not much difference between a "recommendation" on an appeal from a restrictive order and a final decision thereon, provided that weight was accorded the recommendation. They demanded criteria against which to screen priorities applications, pointing out that the risk of dissimilar decisions in similar circumstances was no greater proportionately in the regional organization than it was in an industry branch with a large analytical staff which tried to make borderline decisions without sufficient knowledge. They could point to inconsistent determinations by industry branches, delays, loss of applications, and red tape. They commented that no instructions could possibly be written to guide personnel in deciding matters involving such philosophical concepts as "essentiality" and "hardship," which were basically matters of good judgment. Finally, they invited the Washington "perfectionists" to visit their offices and size up the manpower employed.

Several attempts were made during 1942 to obtain significant delegations of authority to the field, but without marked success. On the other hand, the "service" or non-discretionary functions of the field offices were expanded. Educational work in spreading the principles of the Controlled Materials Plan became a major function of field priorities personnel. The solution of

production bottlenecks through the expediting of materials and the rendering of engineering advice was another responsibility of the field organization. Industries which consumed critical materials were combed thoroughly for idle or excess inventories which could be redistributed, remelted, or scrapped. In the first important conferment of authority to be made, the vital destroyer-escort program, badly behind schedule, was entrusted to the field organization. The competing demands of several major programs, including the high-octane gasoline and the aircraft programs, made it difficult to secure materials and component parts for the escort vessels which were needed for antisubmarine warfare. In this emergency, the regional directors were authorized to issue overriding directives which displaced deliveries to higher-rated orders in favor of the escort vessel program. Each exercise of this authority, however, naturally had upsetting consequences for the production programs adversely affected, and the prudence with which the regional directors exercised this power made a deep impression upon the Washington organization and paved the way for subsequent delegations of permanent authority.

In the spring of 1943 signs appeared to indicate the rise of a new interest in decentralization within the board. Authority to rate and issue priorities papers was given to the field organization, at first in light doses and subsequently in larger measures. This trend has continued, and at the time of this writing (January, 1944) the end is not yet in sight. Most of the priorities work of the agency, measured by the number of applications for preference ratings, is now in the field or in the process of being placed there, and the result is that for the first time the Washington organization is actually divesting itself of operations and turning more and more toward the consideration and refinement of policy.

This change of heart has been due to several factors. First, there have been far-

reaching changes in priorities techniques. The essence of the priorities system lies in controlled distribution. The first priorities schemes were devised and installed in a period of awkward shortages, wild guesses as to requirements, and competing pressures from rival claimants. Priorities instruments were known facetiously as "hunting licenses," signifying that the holder of a priority had only cleared the first hurdle—he still had to find the material and get his hands on it. This loose system required WPB to narrow the span of discretionary authority at the expense of the field organization. Late in 1942 a new method, the Controlled Materials Plan, was announced, with drastic innovations in both theory and practice. A technique of budgeting materials was installed, by which outgo could not exceed income. Each principal consumer of materials (the Army, Navy, Maritime Commission, etc.) became a "claimant agency" and was obliged to submit firm programs to the WPB before the "materials pie" was sliced. Each program received a credit of materials, and as the contractors drew checks against these credits, the accounts were adjusted to reflect the withdrawals. Under this system, each preference rating became a sort of ration coupon, and the user was assured of his fair share. Since the compliance officers of the board were likely to make unannounced visits to suppliers, who were not permitted to ship materials without receiving a "coupon," the possibility of bootlegging was reduced to a minimum. The pattern of the priorities system thus became fixed. Accounting controls became a satisfactory substitute, in the main, for centrally-exercised discretion. The way was clear for delegation, safeguarded by the promulgation of guiding standards.

Another reason for the relinquishment of a large measure of priorities controls to the field organization was the development of an interest in "production scheduling," or the technique of timing the deliveries of components to mesh with the dates fixed for

final assembly of the finished products. The scheduling problem, and the search for a solution, succeeded the materials shortage problem in the minds of the Washington WPB officials, and this preoccupation contributed to the decentralizing process.

A third reason behind the decentralization movement was the fact that the need for strengthening and utilizing the field organization was being brought to the notice of the chairman and the executive vice-chairman by Mr. Bernard L. Gladieux, administrative assistant to the chairman, by Mr. Wade Childress, in charge of field operations, and by the regional directors themselves.

For these reasons, and despite some opposition from within the organization, the new policy of decentralization has been taken seriously and has borne fruit. The operations vice-chairman has given vigorous support to the policy, which is a matter of importance because of his primacy over the functional bureaus and divisions as well as over the field. As authority has been progressively decentralized, however, there have been problems arising from lack of clarity in processing instructions, their very great number, manpower shortages, and the time lag characterizing the issuance of procedures. These, however, are growing pains congenital to the decentralizing process.

### III

IT HAS already been observed that in WPB orders relating to field operations early recognition was given to that organizational concept which Macmahon has termed the "dual hierarchy." This distinction between the specialist and the generalist was formalized notably through the reservation of the policy-making and policy-interpreting functions to the Washington functional divisions, which numbered approximately forty. It was an accepted principle that these central functional offices should maintain routine relations with their counterpart in the field offices, although "administrative" authority and general coordinating

power was vested in the regional directors. Had the functional people been barred from free vertical communication, the goal of decentralization would have been much more difficult to attain. It was apparent that WPB, in attempting to regulate an economy characterized by scarcity, had to strive for fair and equal treatment in the administrative process, and that its delegated powers had to be safeguarded by a close relationship between rule-making and day-to-day administration.

Donald C. Stone, speaking in 1942 to the Graduate School of the Department of Agriculture, posed the problem of the dual hierarchy in these terms:

The various functional program groups into which an agency is organized inevitably result in a constant pull by each group away from the general agency focus into special functional foci. Each of these functional or program groups, in dealing with the field, similarly provides a centrifugal force pulling away from the central job to be done. The big problem of headquarters' administration is how to tie together all of the technical branches to bring about a unified impact on field offices.<sup>1</sup>

The conflict between the specialist and the generalist necessarily included a questioning of the role of the regional directors. It was unfortunate that the term "little Donald Nelson" had ever been applied to the regional directors. They could not hope to be, for their regions, what Nelson had to be for the whole economy. There could not be thirteen autonomous economic provinces. The notion of the regional director needed clarifying. Essentially, the regional director was, to local industry, an interpreter of policies laid down elsewhere; he was, to a degree, an experimenter, reducing broadly-conceived formulas into practice consistent with local needs; he was, for the region, the eyes and ears of the chairman, transmitting upward cogent ideas as to the formulation or modification of policies; and, internally, he was a general manager

<sup>1</sup> Donald C. Stone, "Washington-Field Relationships" in *Washington-Field Relationships in the Federal Service* (Graduate School, U. S. Department of Agriculture, 1942), p. 17.

with the duty of supervising all programs and bringing about the fullest possible measure of integration, balance, and efficiency. The "little Donald Nelson" fiction probably did more violence to the principle of the dual hierarchy than any other identifiable factor.

Where the functional divisions and bureaus at Washington chose to work through the field organization, a typical step was their creation of so-called field contact branches apart from the administrative line. The field contact branch in the functional division might be one or more of three things: (a) a clearing house for collection and analysis of data on program activities in the field, including procedures, accomplishments, and problems, as an aid to program development and procedures planning; (b) a communications organ for the transmittal of policies, instructions, and interpretations to functional representatives stationed in the field; and (c) a control unit for monitoring operations in the field, conducting inspection tours, and applying or suggesting improvements. From the point of view of the functional division, a field contact branch under its own control has added utility when (1) the field service office in the administrative line has insufficient technical knowledge to set up and maintain uniform operating standards and supervisory and reportorial controls; (2) the particular program is in an embryonic stage and will bear close observation; (3) there is need, real or imagined, for supporting its particular field program in order to prevent its submergence beneath competing programs; and (4) it is desired to establish a formal and continuing liaison with the field service office, effecting thereby a junction of administrative with functional command.

On the other hand, the existence of numerous functional field contact branches independent of the field service office creates new problems. There is a danger of duplication in field reporting requirements, supervision, and travel. There is an

opportunity for conflicting instructions, and a threat to a balanced field operation because of the impact of program pressures upon the centers of coordination. The system likewise induces a hardening of the functional arteries, encouraging functional isolationism in the field offices and thereby reducing administrative flexibility and imposing difficult burdens upon the general manager at the field office level.

It has been argued that to extract the field contact branches from the functional divisions would result in depriving the top officials in those divisions of the direct contact presently enjoyed with the operating personnel, thereby sacrificing the benefits of firsthand experience needed for program planning. Likewise, it has been said that such an expedient would cause the functional heads to lose confidence in the heads of the field contact branches. Both arguments presuppose a continuous relationship between the field liaison units and the division chiefs in matters of programming. Where the chiefs of the field contact branches occupy relatively low niches in the divisional hierarchy, however, and must depend upon the sympathetic interest of bureau heads or branch chiefs enjoying a more effective entree to the division heads, these arguments fail. It has been felt that the best compromise lies in the direction of curtailing the functions of the functional field contact branches through transferring to the field service office such controls as reporting and inspection (but not to the exclusion of joint action in devising and planning such controls), to supplement budgetary and personnel powers. On the other hand, the servicing of field offices on technical inquiries and in the dissemination of advice and instruction seem to be proper functions of the branches.

#### IV

**I**N OPM days, the organization of the field service branches of each independent functional division was such as to merge administrative with functional direction.

The existence of as few as five functional divisions at that time made the task of co-ordination less perplexing than in subsequent operations under WPB, when the number came closer to forty. Inasmuch as the field organization performed service rather than discretionary functions, the duties of the headquarters offices were geared to counsel rather than control, together with organizational planning and the provision of housekeeping services. As the era of OPM closed, the Priorities Field Service Branch, being the strongest of the Washington headquarters units, prepared for the role of a general coordinating office for the projected regional organization. Under a director, the field headquarters was set up with a priorities procedures section to handle technical questions submitted by the field offices, a field management section to collect data on progress and problems and to work out the details of the new organizational pattern, and an administrative section to deal with housekeeping matters. Provision was made also for a training unit and a public relations unit. The office was strong on the administrative side and made little pretension toward assuming functional controls.

When OPM became WPB, a Bureau of Field Operations was created. It was explained that while policy decisions would still be made by the functional divisions of WPB, field activities would be handled for administrative purposes through the bureau in order to "facilitate prompt decisions and actions." It was also stated that the functional divisions would "channel all field matters through the Bureau of Field Operations, whether the matters involved are going to the field or coming from the field." Administrative and functional controls thus were married at the point of reference constituted by the Bureau of Field Operations. The result was to delay rather than expedite decisions and to introduce a degree of congestion which might have been fatal to the decentralization program had it been strictly adhered to. It was un-

fortunate that the expedient should have been attempted in the transitional period when efforts were being made to "sell" the functional divisions on the administrative soundness of a unified field organization. It was confusing also to the regional directors, who had been given to understand that they were to be supreme in their areas. It now seemed as though the regional director would have to divide his authority three ways—between the bureau, the functional divisions, and his own person.

In the spring of 1942, the Bureau of Field Operations was abolished and the regional directors were made accountable to the Director of Industry Operations, who was instructed to appoint a deputy to shoulder the burden of liaison with the field offices. The designation of the director as titular head of the field had the theoretical effect of consolidating in his person both functional and administrative authority over a substantial segment of WPB, including most of the functional divisions. The organization which he developed through his deputy, however, fell short of achieving the same combination. Functional control stayed with the functional divisions, which dealt with the director at a level which in theory was lower than that held by the deputy, but which actually was more commanding because of the policy-making functions vested in the divisions.

Under the terms of the administrative order which defined Washington-field relations, policy manuals and other instructional apparatus were to be written by the functional offices and issued by the deputy in charge of field operations. He was authorized to approve or reject proposals made by regional directors for the creation of subregional offices. Priorities and legal personnel were to be appointed and dismissed by the functional offices in Washington, although language later found in the order strangely declared that "the foregoing subsections do not authorize the head of any office, division, bureau, or branch to take any action with respect to personnel

which invites conflict with or weakens the authority of the regional director." It was further provided that no field program could be launched by a functional office except after clearance with the deputy.

The plan sought to further clarify the difference between functional and administrative authority in these terms:

All heads of offices, divisions, bureaus, and branches shall look to the regional director

1. For such general direction and coordination of regional operations as will ensure enforcement and maximum effectiveness of War Production Board policies and programs in their fields of activity;
2. For initiative in applying and developing their policies and programs, and in recommending modifications, to meet the needs as they arise in each region;
3. For cooperation with and reporting to them to assure their effective supervision as planned and to prevent conflict.

It may be observed parenthetically that while this statement appears to exclude the regional directors from exercising functional control, its practical effect was considerably less. The conferment of administrative authority upon the regional directors included such management tools as budget control, the power to shift positions between and among different programs and functional departments, the power to facilitate or obstruct salary reclassifications of functional employees, and control over travel and communications expenditures. Control of the purse at least equalized the balance of power.

To carry out his duties, the Deputy Director of Industry Operations in charge of field liaison organized his office along non-functional lines. The priorities expediting function was transferred to the Priorities Bureau. Housekeeping services were strengthened in the hope of securing better budgetary controls and to facilitate the preparation of quarterly estimates. A management unit was set up, and a squad of analysts was made available to the regional directors on the theory that the latter would welcome an outside management

audit which could suggest improvements in systems and methods without drawing upon the regional director the ire of subordinates who might be adversely affected. At the same time, this group would discharge the deputy's responsibility for bringing a measure of coordination and standardization into the regional organizations, thus silencing a cogent argument of the opponents of decentralization.

The problem of the span of attention was thought to be solved by the appointment of four subordinates who would be "eyes and ears" of the deputy for specific groups of regions, analyzing their operations, methods, problems, and weaknesses, and serving as habitual contact points in Washington on all matters for those regions. The experiment was short-lived. Observation of the technique leads one to conclude that a headquarters office organized on the basis of area representation, unsupported by functional specialization, will not be effective in attempting to coordinate field operations in an agency of multiplex functions. Subsequently, the deputy sought to obtain this functional knowledge through a horizontal assignment of his staff to cover groupings of offices within the Washington organization, at the same time abandoning the scheme of regional area representation. It should have been apparent that the deputy had to look both ways simultaneously, but the second experiment was symptomatic of the times, representing a period of arming for a concerted attack upon the strongholds of opposition to regionalization.

There has continued to be a need for a strong headquarters office in WPB in charge of field operations. The constant shift in programs and the need for dealing with problems in central-field relations has pointed toward the establishment of a well-organized, ably-staffed, informed, and responsible center of administrative control. The line between functional and administrative direction is more apparent, and can justify a more modest headquarters unit, if

the agency has matured to the extent that the policy of decentralization is taken seriously, central-field relations have dropped into a stable pattern, program questions are few and policy problems more prevalent (suggesting a shift of emphasis to the functional line of authority), and the variety of programs is not such as to call for strength in the headquarters office as the center of co-ordination.

The experience of WPB has shown that the success of a headquarters office in charge of field operations largely depends upon the position which it holds in the organizational hierarchy. The very composition of an organization chart can generate trouble in this respect if it is so designed as to show the headquarters unit in immediate proximity to the field offices at the foot of the chart despite the fact that its rank may equal that of the functional divisions of the agency. WPB has had to cope with this question of position. At no time up to the present has the field service office been recognized as a participant in policy-making councils, notwithstanding the conferment of impressive titles upon its head. It has been regarded as a management arm of the general operating manager. One abortive experiment took place when a control board was organized under the Director of Industry Operations, consisting of the heads of the functional offices and the deputy in charge of the field. Since this arrangement disappeared, never having been utilized, the deputy has been obliged to try to deal with functional officers who have outranked him, and the field has had no voice in the institution of programs, policies, or major procedures.

Matters have recently (January, 1944) taken a turn for the better in this respect. Under the operations vice-chairman there has been constituted an operations council composed of the vice-chairman himself, the bureau and division directors, and the regional directors. The move was made expressly to institutionalize the recently reaffirmed decentralization policy. The council met twice a month in the first stages of the new decentralization movement and has now been placed on a monthly basis in recognition of the transportation difficulties which confront the distant regional offices. The council is a consultative body before which are laid the policy and program proposals of the functional offices, and an interchange of opinion takes place between the regional directors and the functional officials, under the attentive chairmanship of the operations vice-chairman.

The change which has thus taken place does not seem to be clothed with a transitory destiny. A recent pronouncement of the War Production Board stated that

It is proposed that Regional Directors report directly to the Operations Vice-Chairman, and that, if it will increase their effectiveness, they be made Regional Chairmen. This suggestion is intended to bring the operating men in the field into closer touch with the man in charge of operations. It will bring the field into closer touch with policy-making bodies in the War Production Board and will give the Operations Vice-Chairman a better opportunity to observe the qualifications and performance of his *principal assistants*.

Stronger evidence could not be produced to illustrate the changing face of central-field relations in the War Production Board at the end of its second year of existence.

# Consolidation of Unemployment Insurance and the Problem of Centralization

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THE old debate on the proper place of unemployment insurance under our federal system appears to be continuing, with convictions on both sides remaining as strong as ever.<sup>1</sup> Yet, looking into the future, one may say that there can be little doubt that we are going to have a consolidation, in one way or another, of our fifty-one separate state, District of Columbia, and territorial unemployment insurance systems. He who is interested in seeing our gains in the field of social insurance preserved and extended will welcome a reform which promises to give them a more secure foundation. And, indeed, the arguments advanced to this effect by some proponents of consolidation as long as two or more years ago have been reinforced by the trend of events. Our realization of this fact grows as we take stock of the effects of the war upon the domestic economy and try to anticipate the impact of peace. Among the internal effects of the war two factors are particularly important: (1) the geographical concentration of production, especially in heavy goods industries, and (2) the intensification of production of certain durable goods—e.g., machine tools suited for peacetime as well as for war production. Together these factors make for an increased and highly uneven unemployment risk, both seasonal and cyclical. Among the worries connected with the transition to peace,

the possibility of a large, if temporary, army of unemployed, estimated at from seven to twelve millions, occupies the first place. Viewed in this perspective, a consolidation of unemployment insurance systems appears as a necessary safeguard for the effective functioning of unemployment insurance, if it is to cope with postwar needs.

In its comprehensive digest of security, work, and relief policies the National Resources Planning Board has not only supplied a wealth of statistical information on past experience but, on the basis thereof, has formulated principles of planning as well. Significantly, in regard to the future of unemployment compensation it has recommended the adoption either of a national unemployment compensation system or at least of federal "reinsurance."<sup>2</sup>

Naturally, for those who are agreed on the need for consolidation, the real interest shifts to a discussion of possible methods. In particular, the degree of federal participation remains a matter for debate. In Congress both policies—that of federal "reinsurance" or, more correctly, equalization, and that of complete federalization—have found some interest and support. The McCormack-Downey and Murray bills introduced in Congress in 1940 (H. R. 7762 and S. 3365, 76th Congress, 3rd Session) were of the first type, the Eliot bill, introduced in 1942 (H. R. 7534, 77th Congress, 2nd Session) was of the second type, and so is the Wagner-Murray-Dingell bill introduced in

<sup>1</sup> See A. J. Altmeyer, "Unemployment Insurance: Federal or State Responsibility?" 32 *National Municipal Review* 237-42 (May, 1943), and P. A. Raushenbush, "Unemployment Compensation: Federal-State Cooperation," 32 *National Municipal Review* 428-31 (September, 1943).

<sup>2</sup> National Resources Planning Board, *Security, Work, and Relief Policies* (Government Printing Office, 1942), p. 547.

1943 and now being studied by both Houses (S. 1161, 78th Congress, 1st Session). Outside Congress an equalization scheme associated with the name of Dr. G. E. Bigge, a member of the Social Security Board, received considerable attention. Although made public in 1941,<sup>1</sup> this plan was never incorporated in a legislative proposal.

## I

**T**HE common denominator underlying all programs of limited, as well as those of complete, federalization can be found in the growing conviction of an existing maladjustment. Expressed in the most general terms, it can be called a maldistribution between the revenues of certain jurisdictions and their functions. Applied to unemployment compensation, it lies in the disproportionately small or large intake of money by several state unemployment insurance systems in relation to their average load—measured over a sufficiently long period of time—of insured seasonal and cyclical unemployment, expressed in the amounts of benefits payable.

Financial equalization is a method of co-ordinating the supply of funds with the (changing) needs of (more or less static) political and administrative structures. In particular, it is a federalistic device of adjustment between higher and lower levels of government in the interest of maintaining and supporting a given distribution of functions. It is a corrective device, pragmatic in character.

Almost always, however, there exists a radical alternative conducive to the same end, financially speaking; it is the short-cut of unification. It consists in the transfer not of funds but of functions. Traditionally such a transfer, unless justified by good reasons, is looked upon askance. For, in

<sup>1</sup> At the Interstate Conference of Employment Security Agencies, Regions II and III, held at Hershey, Pennsylvania, February 13-15, 1941; see "Some Unsolved Problems in Connection with Unemployment Compensation," its *Report*, pp. 55-67.

Professor Newcomer's words, "the usual approach to the problem of a satisfactory distribution of governmental functions and revenues among overlapping jurisdictions is to assume that functions should be distributed among the different authorities regardless of their ability to support such functions, and that revenues should then be adjusted to needs."<sup>2</sup> It is in this respect that equalization schemes assume a special significance: they make possible a distribution of governmental and administrative functions which on grounds other than financial may be regarded as desirable.

Indeed, the answer to the question when to shift funds and when to transfer functions is sometimes a difficult one. It will be determined only in part by technical considerations. Value judgments, arguments based on expediency, unverifiable opinion, and sentiments are likely to exert an influence. The legislative history of the Social Security Act offers good illustrations for each of these and still other factors. This much is certain: the present setup was not chosen because it was thought to be perfect. At the time, perhaps, it could be regarded as the best possible solution under the circumstances, but not necessarily as a permanent one. As our experience grows and circumstances change, the "best possible solution under the circumstances" changes with them.

## II

**T**HE proponents of a national system of unemployment insurance have defended their case chiefly on grounds of the technical superiority of federalization over all other possible equalization schemes. While

<sup>2</sup> Mabel Newcomer, *Central and Local Finance in Germany and England* (Columbia University Press, 1937), p. 6. However, Miss Newcomer is not an unqualified adherent to this view; cf. "The community that cannot afford even half of the cost of maintaining minimum standards for schools and roads and other local functions should probably forfeit the right to control these activities" ("Fiscal Relations of Federal, State, and Local Governments in the United States," in National Tax Association, *Proceedings of the Thirty-third Annual Conference on Taxation* [National Tax Association, 1940], p. 203).

unemployment insurance was still in its formative stage in this country Mr. B. M. Stewart based his support for a national system on an extensive historical argument as well as on the observation that the "nature of insurance makes a national system preferable," since "social insurance gravitates toward national control."<sup>1</sup> But, since the program has been operating on a state-federal basis for a number of years, the argument of technical perfectibility of the present setup naturally became paramount. Professor Haber, for instance, indicts the present state-federal system as violating "about every principle of administrative management."<sup>2</sup> Mr. R. C. Atkinson, another able critic, would not deny the possibility of its adaptation so as to make it capable of yielding the same satisfactory results—at least the social and economic results—that are expected of a national system. But he concludes that the latter could achieve the objectives "much more simply and surely."<sup>3</sup>

Specifically, the advantages claimed for the more sweeping solution of federalization over the more limited alternatives are partly administrative, partly substantive in nature. Summing up briefly, the former consist of: (1) Simplification of overhead organization through reduction in the number of legislative and administrative authorities. (2) Simplification and savings in tax administration and record keeping due to unification on a federal level of the present three payroll tax administrations and due to larger operating units below the federal level. (3) Unification of the present dual system of unemployment compensation by having railroad employees come under the general plan and widening its scope by inclusion of groups not now covered, espe-

cially interstate and maritime workers. (4) Coordination between unemployment compensation and other social security programs. (5) Certain advantages of a unified personnel system. The substantive advantages ascribed to a national system are as follows: (1) A more complete equalization of the cost of unemployment than would be possible under any state-federal scheme. (2) Greater uniformity in contributions and benefit payments, including benefits for seasonal workers. (If seasonal workers are not to be singled out as a special category and treated differently, only a national system, it is claimed, could carry the increased cost without harm to its solvency.) (3) A higher guarantee of continued solvency despite heavy and unequal incidence of unemployment. (4) A greater flexibility in regard to the needs of war and postwar economy. (This is claimed especially since the Employment Service has been federalized. Although this measure has been taken only for the duration, it is felt by some that it will be equally necessary in the postwar period. This aspect is also partly administrative in character.)

These assertions appear to be well founded. They hold their own if compared with the possible advantages of a state-federal system. Following Mr. Atkinson, the latter may be summarized under five headings: (1) Broader opportunities for experimentation. (2) Adaptation to local conditions. (3) Decentralized administration. (4) Coordination with other state activities. (5) Local participation in administering the employment service.<sup>4</sup> Whatever advantages there may be, there is hardly one technical point in which superiority can be truly claimed. From the point of view of technical efficiency it seems a vain endeavor to try to match the advantages claimed for a national system—even if reality fell short of expectations—by those of a (readjusted) state-federal setup. The explanation is simply this: that the degree of both equaliza-

<sup>1</sup> "Federal and State Unemployment Insurance," 16 *Proceedings of the Academy of Political Science* 74 (1935).

<sup>2</sup> "Proposals for Reorganization of Unemployment Compensation and the Employment Service," 16 *Social Service Review* 47 (March, 1942).

<sup>3</sup> *The Federal Role in Unemployment Compensation Administration* (Committee on Social Security, Social Science Research Council, 1941), p. 183.

<sup>4</sup> *Ibid.*, pp. 155-61.

tion and coordination reached through unification is of necessity more far-reaching than partial attempts in this direction can ever be. At least, this is a legitimate presumption as long as other than merely technical factors and considerations are left out.

If it is true, then, that "there is an almost perfect theoretical case for federalization,"<sup>1</sup> in what does the strength of the case against federalization consist? For one thing, it consists in the powerful and very real antagonism against it. While the demand for a uniform national system of unemployment compensation has been backed by organized labor, by high-ranking administrators, and by the President himself, the opposition has been not less formidable. Several state legislatures have passed joint resolutions memorializing Congress to reject federalization of unemployment compensation. The Conference of Southern Governors at Hot Springs, Arkansas, on April 20, 1942 passed a resolution to the same effect. Employer groups have gone on record against federalization, and state administrators have opposed it in their testimonies before Congress. It is believed, apparently, that during the years of state-federal operation of unemployment compensation vested rights have been acquired, and traditional sentiments as well as vested interests now assert themselves in their name. Whatever the motives and their merits, there exists today a solid opposition to federalization. Hence, it would seem reasonable to shelve this solution in favor of one less teeming with attendant friction—provided, of course, that such a solution can accomplish in substance the desired objectives even though falling short of certain ideal principles of administrative management. This is the pragmatic aspect.

A more fundamental consideration is the concern about other values than that of technical perfection. It is these other considerations that seem to be predominant in the minds of students fearful of any step

<sup>1</sup> "Issues Involved in the Recent Social Security Proposals," 14 *Social Security* 6 (November, 1941).

which might lead to a further centralization of governmental power. It is doubtful whether the project of a national unemployment compensation system, in itself, is really a big enough issue to warrant great concern in this respect.<sup>2</sup> But, while judgments may differ, the problem raised should not be dismissed lightly. From the pragmatic standpoint the centralization of governmental functions may be viewed as a neutral—i.e. *merely* administrative—device to be pushed just as far as seems indicated in the interest of the efficient discharge of the tasks in question. In this connection it has been pointed out, with some justice, that decentralization (perhaps, more correctly, deconcentration) and adaptation to local needs would actually be possible even under a national unemployment compensation system.<sup>3</sup> But the real concern of the anticentralizers is not so much the final redistribution of functions as such but the centralization of governmental power, which they regard as an inevitable concomitant of an increase in the functions of the central government. In their opinion, federalization of unemployment compensation is likely to have consequences beyond the immediate field of its operation. Undeniably the mere matter-of-fact approach to the problem of centralization is apt to disregard two things: first, the fact that efficiency is not the only criterion of the satisfactory discharge of public business and, second, the easier transformation toward foreign ends of the subject matter administered through the medium of governmental centralization. It is true that the ultimate protection from the abuse of governmental power lies in an alert popular control. But, while one type of governmental organiza-

<sup>2</sup> See, e.g., the fears expressed by Mrs. Elizabeth Brandeis in "Centralization and Democracy," 31 *Survey Graphic* 393-95 (December, 1942).

<sup>3</sup> See Atkinson, *op. cit.*, pp. 26, 27. The analogy of the postal service and its adaptation to local conditions cited by Atkinson (p. 157) is hardly convincing, however, in view of the very different character of the services compared. See also Kurt Wilk, *Decentralizing Governmental Work* (Institute of Public Administration, 1942).

tion may in itself be a considerable barrier against any distortion of the popular mandate, another form may lend itself to it more readily. It is by virtue of its traditional distribution of governmental authority that federalism is classed among the former.

While the concentration of governmental authority at the top, obviously a development away from federalism, is thus to be viewed from different angles, the actual trend in this direction cannot be denied. Nor can it be denied that this development is neither willed nor planned but has been due to fundamental changes in the modes of production and the accompanying requirements of an up-to-date system of public finance. Speaking not only of social security financing but of tax systems in general, Professor Newcomer writes: "The economic forces which are making for centralization of the tax system may in the end centralize all governmental functions. Meanwhile some compromise is called for."<sup>1</sup> And again: ". . . A measure of local self-government must be sacrificed to the need for a better tax system. In the end local government may give way to centralizing forces which extend beyond the fiscal system. But for the time, at least, a substantial sphere of local activity can undoubtedly be retained, even under relatively unfavorable conditions."<sup>2</sup>

If in the field of unemployment compensation, particularly in the financing thereof, the same trend is felt, it may be the smoothest, if not a perfect, solution for the time being to try to meet actual needs by a sufficiently broad adjustment within the given framework. It is in this way that the value

of proposals for federal equalization in unemployment compensation should be appraised rather than in ideal terms or by attempting to overstate their advantages in comparison with those of a national system. Federal equalization must be understood from the beginning as a compromise between the given federal form of government and the needs of a modern economic society. The capacity of bringing about the necessary adjustment with a minimum of structural change and the further adaptability of the revised setup should be important considerations. Herein could be found not only the justification of limited federal equalization as against outright federalization, but a yardstick of the comparative desirability of two equalization schemes.

To those who argue that a federal equalization scheme, in order to be effective, must make the unemployment compensation system a national one in all but name, the answer may be twofold. First, under a revised federal-state system state initiative and control can and should be allowed to work in the direction of raising standards above a federally guaranteed minimum level, if there is willingness and the means to do so. Second, it should not be forgotten that, even if the assertion were true, names and traditions too matter in government. If improvements can be accomplished at a lesser emotional cost and with a lesser degree of discontinuity in established practice, such a method has much to recommend it. At any rate, there is hardly a justification for rigidly retaining a setup which, in the face of conditions which are beyond the power of change by the constituents, is incapable of achieving a decisive improvement.

### III

**T**O BE worth while, a program for federal equalization in unemployment compensation must be capable of substantially improving the present setup. A half-hearted remedy of present inadequacies could prove

<sup>1</sup> Mabel Newcomer, "Revenue Sharing between Federal and State Governments and between State and Local Governments," in National Tax Association, *Proceedings of the Twenty-ninth Annual Conference on Taxation* (National Tax Association, 1937), p. 282.

<sup>2</sup> Newcomer, *Central and Local Finance in Germany and England*, pp. 307-8. A wider interpretation of the term "local" has been deemed permissible, since Miss Newcomer includes the German states among the local governments in the book from which the quotation is taken.

hardly a lasting alternative to unification, should the crucial test come in the form of a heavy postwar employment slump. It would be wasted effort to enact measures the inadequacy of which could be foreseen in the very contingency which they were intended to meet. In this respect, again, no equalization scheme short of unification can be fully as reassuring as unification itself. Complete rationalization is beyond the possibilities of an inherently limited device. This is not to imply, however, that the equalization method *must* fall short of what needs to be achieved.

Quite conceivably, however, an equalization scheme, even if adequate, might not for long remain in existence unchanged. War not only silences the Muses but relegates to a secondary place many considerations not in line with its most effective prosecution. It is demanding in its quest for efficiency. If this war should last very much longer, making necessary, among other measures, a streamlining of the tax system and tighter national control of manpower, it might bring on the adoption of a national, simplified, and uniform unemployment compensation system as an incidental and almost inevitable consequence.

Hence, on the one hand, an equalization scheme should be capable of insuring the solvency and adequacy of unemployment compensation throughout the nation in any foreseeable contingency; on the other hand, it should be capable of smooth transformation into a national system if for other reasons this should become imperative. Administratively it should mark a significant improvement over the present setup while avoiding the undesirable results which are directly or indirectly associated with the accumulation of functions in the central government. In the following a federal equalization scheme which is believed to combine these qualities as much as possible is outlined in broad terms:

1. Federal collection of employment taxes (contributions), the federal govern-

ment acting as collecting agent for the states. (The term "state" is intended to include the District of Columbia and the territories of Hawaii and Alaska.) The state rate of contributions is not to fall below a nationally fixed minimum.

2. Sharing of the total yield between the federal government and the states by means of a graduated tax offset. The federal share is to be a fixed percentage of the total for those states levying contributions at the minimum rate and a decreasing one thereafter for those states levying contributions at a higher rate. It is to flow into a federal equalization fund (pool) and is to be matched by a federal contribution from general revenues.

3. Federal minimum standards incorporating the recommendations for general adequacy of benefits which have come in recent years from various sources with considerable unanimity.<sup>1</sup>

4. Subsidies from the federal equalization fund to states conforming to these standard requirements for the payment of benefits whenever the money accumulated in the state's account (in the Unemployment Trust Fund) is insufficient.

5. If the money accumulated in the federal equalization fund should not suffice, at any given time, to secure payment of standard benefits in all states, this fund is to receive a loan from the federal treasury, to be paid back later from surplus accumulated in the federal equalization fund.

Several points in this scheme call for comment and justification. The principle of tax sharing in connection with unified federal collection is recommended with a view to simplifying the present collection method and saving some of the paper work. Also, it would offer a certain elasticity in adjusting the size of the equalization fund according to need. To the states is left the discretion of levying contributions at an above-min-

<sup>1</sup> See, e.g., National Resources Planning Board, *Security, Work, and Relief Policies*, and American Association for Social Security, *Social Security in Wartime and After* (American Association for Social Security, 1942), p. 16.

mum rate. They might do so if they wished to pay benefits at higher standards than the obligatory ones—for which they could not, however, call on the federal equalization fund for support. On the other hand, if they were not even able to meet the claim load in terms of these standards, they would receive subventions from this fund.

It can be assumed that under this plan a state would decide to raise taxes above the minimum rate only if it could be sure that the additional revenue would be used to pay higher benefits in that state—that is, only if the state did not already need a subvention from the federal equalization fund in order to pay benefits of the mere standard type. For if a state needed such subventions to pay standard benefits, it would rely on the outright grant rather than on additional taxes levied upon its employers, employees, or both. Thus, only a state in which industries marked by a stable employment pattern predominate would be likely to enact a more favorable benefit scheme, financed, if need be, by additional taxation. It seems in keeping with the objectives of an equalization plan to have a state which is privileged by a comparative employment stability make a contribution to the other less privileged states if it desires to have compensation standards superior to theirs and decides that it is able to afford them. In regard to the outright grant method, it can be objected quite justly that it provides no financial incentive for state action toward liberalization or other improvement of its benefit scheme. But, as a matter of record, the financial incentive of the fully or partially matched grants-in-aid, wherever used, has worked consistently against equalization rather than for it, owing to the fact that the states most in need of federal support could not avail themselves of it in the same degree as could the others.<sup>1</sup> In a

different way, some financial incentive would be provided through the graduated offset. The combination of methods here proposed would permit constructive state action above the nationally required standard, with the additional advantage that independent progress made in one state would automatically benefit the others and possibly reduce the scope of the federal partnership.

Naturally, the outright grant or subvention method, if it is not to lead to extravagance, must entail greater central supervision. So would any scheme of equalization, by virtue of the inevitable need for federal standards. If it were based on matching (e.g., on a 75:25 per cent basis, as was proposed in the Bigge plan), the degree of central control could be hardly less, owing to the large percentage of non-state funds forthcoming. (Yet unequal matching would be the core of such a scheme, because only to the extent that the funds would not have to be matched would they exercise an equalizing effect.) Whichever method is chosen, equalization cannot be obtained without paying a price for it. However, it is a lesser price than would have to be paid under complete federalization.

The suggestion of temporary loans from the federal treasury aims at further insuring the stability of the federal-state setup. In time of extraordinary drain on reserves, these loans should prevent the system from going bankrupt or being forced into federal receivership, leading over to federalization by default. The highly satisfactory experience with treasury loans of the British unemployment insurance system inspires confidence.<sup>2</sup>

Nothing has been said about the rate of contributions, the schedule of benefits, duration, or coverage (particularly of occupational groups not now covered and of ex-servicemen). It would be decidedly beyond

<sup>1</sup> See V. O. Key, *The Matching Requirement in Federal Grant Legislation in Relation to Variations in State Fiscal Capacity* (preliminary draft; Social Security Board, Bureau of Research and Statistics, 1942), *passim* and particularly the conclusions, pp. 58 ff.

<sup>2</sup> See "Debt of British Unemployment-Insurance Fund Paid Off," 53 *Monthly Labor Review* 99-103 (July, 1941).

the scope of this paper to discuss these and other controversial questions which are highly important but which have less direct bearing upon the problem here brought into focus. It goes without saying that the solvency of the system is dependent not only upon a reasonable allocation among the states of the moneys collected but, even prior to that, upon current intake and reserves. Both must be judged in terms of contingent obligations, and these, in turn, will depend to a large extent on the scope and liberality of the benefit system.<sup>1</sup>

Mention should be made, however, of the problem of employers'-experience rating, which for a long time has been an object of heated debate in both its financial and its administrative aspects. The majority opinion of experts is against experience rating, and warnings have been raised repeatedly regarding the adverse financial effects in many of its present forms. Nevertheless, its abolition is unlikely at this time. Now, quite apart from the controversy about its merits or demerits, the ablest defenders of experience rating have admitted its impracticality except if administered "on a national basis" or at least under "strict national control."<sup>2</sup> And, indeed, in those states choosing to maintain experience rating, national minimum standards (or standard yields equivalent thereto) would eliminate the most dangerous results of many of the present rating schemes. It is true that much of what makes experience rating attractive to employers now would fall by the wayside then; and its abolition (possibly in favor of a tripartite contribution scheme after the British model), desirable also on other grounds, may meet with less opposition. In any case, here too federal equalization would seem to offer a way out of the present impasse.

<sup>1</sup> On the problems of rate of contribution and reserves see D. S. Gerig, Jr. and S. J. Mushkin, *Social Insurance Expansion and War Financing* (Social Security Board, Bureau of Research and Statistics, 1942), p. 5.

<sup>2</sup> Herman Feldman and D. M. Smith, *The Case for Experience Rating in Unemployment Compensation and*

#### IV

**I**N CONCLUDING, it may be emphasized again that a program of federal equalization is necessarily a compromise. Hence, it cannot be expected to be a perfect solution in any one sense, nor can it be obtained without surrendering something else in return.

Naturally, interpretations might differ in assessing its pros and cons and appraising it on balance. For there exists the same cleavage of opinions today which Justice Cardozo characterized so aptly when, speaking for the Supreme Court then passing on the constitutionality of the unemployment compensation provisions of the Social Security Act, he said: "The assailants of the Statute say that its dominant end and aim is to drive the state legislatures under the whip of economic pressure into the enactment of unemployment compensation laws at the bidding of the central government. Supporters of the Statute say that its operation is not constraint, but the creation of a larger freedom, the states and the nation joining in a co-operative endeavor to avert a common evil."<sup>3</sup>

The important thing is to realize that consolidation of unemployment insurance, like the whole trend toward governmental centralization, is a necessary outcome of economic developments to which institutions and processes ultimately must be adjusted. Our choice is limited to the method of adjustment. If possible, it should be one of co-operation between the federal and state governments, as envisaged by the "Supporters." Uncompromising opposition on the part of the "Assailants" will not prevent consolidation but, through postponing action too long, is likely to foster a more highly centralistic way of achieving it—a state of affairs which they themselves desire least.

<sup>3</sup> *a Proposed Method* (Industrial Relations Counselors, Inc., 1939), p. 14.

<sup>3</sup> *Chas. C. Steward Mach. Co. v. Davis*, 301 U.S. 588 (1937).

# The Army Personnel Process: Trends and Contributions

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THE Adjutant General of the United States Army, Major General James A. Ulio, a year ago contributed to the *Bulletin of the Adjutant General's School* an article entitled "Army Classification System in Postwar Planning." The essence of the article was that the War Department will take an active part in the Army personnel demobilization process by "putting the Army classification and assignment system into reverse at the end of the war. All that has been accomplished in building up this personnel system will be used to the full in the adjustment of soldiers to suitable civilian work."<sup>1</sup>

The Adjutant General's article was limited to the classification and assignment phase of the Army personnel system, since that will be the part most immediately and directly connected with the demobilization of Army manpower. But Army personnel technicians are aware that Army personnel organization and procedures will make many other contributions to civilian personnel administration in the postwar world. This article will endeavor to describe some trends in Army personnel organization and point to programs that are contributing to the field of personnel planning and management. For military reasons, the statements made must be general; many interesting details cannot be disclosed. The object in writing at this time, however, is not to analyze the Army personnel process minutely but

to direct the attention of those engaged in personnel work to the tremendous job the Army is doing and to point out some of its implications.

## I

TECHNOLOGICAL developments, hastened by the imperatives of war, have been paralleled by achievements in the science of administration. Army personnel management well illustrates the transformation that has taken place. In contrast to the passive, record-keeping personnel system of World War I, the present war has evolved an Army personnel program positive in procedure and over-all in approach. This re-orientation has not been caused by a major change in functional concept, for, as in World War I, the personnel function has remained G-1, a staff organization. The transformation has resulted, rather, from the modification of old procedures and the introduction of new techniques—a transformation essentially administrative in nature.

Modern warfare has put a premium on labor skills and technical proficiencies and made the proper assignment of manpower an absolute necessity in the conservation of human resources. It is fortunate that a few farsighted men in the War Department foresaw the implications of this type of warfare. These men were responsible for the philosophy of change that has enveloped the Army personnel program. Unlike many oldline Army officers, they perceived that this would not be a war of numbers in

<sup>1</sup> "Army Classification System in Postwar Planning."  
<sup>2</sup> *Bulletin of the Adjutant General's School* 3 (April, 1943).

which men would be assigned to a military unit based upon a table of organization<sup>1</sup>—a war in which full responsibility would be placed upon the individual organization commander to make the most of personnel literally "dumped in his lap." They foresaw in this war of machines a body of Army manpower carefully selected, technically trained, and properly assigned, and a personnel system that would follow through, procedure by procedure, the metamorphosis of each soldier in the development of his capacities to meet Army needs.

With the advent of Selective Service, the War Department mobilized available resources and moved into high gear. Estimates based on plans for a continually accelerated war program were made for personnel requirements—officer and enlisted personnel—of each Arm and Service. Personnel flow schedules were established and missions assigned to the various personnel stations: the induction station, the reception center, the replacement training center, the training school, and the respective units of command. Military job classifications were studied and analyzed, job descriptions were written, and the number of jobs by classification was tabulated for each type of organization. Standards for personnel appraisal were formulated, using academic background, job experience, individual aptitudes, and physical qualifications as criteria for placement and training. Testing and selection processes were established for specialized training programs. Technical training organizations were created. Classification codes were devised and jobs denoted by specification serial numbers. Clerical operations were streamlined. Statistical reports were revised and standardized. And, finally, an over-all machine records system was established to maintain a current and perpetual inventory, by organization and specification serial number, of

<sup>1</sup>A "table of organization" is the authorized strength of a unit or command. Tables of organization are drawn up for every organization for personnel and materiel authorizations.

personnel skills and manpower supply.

The War Department relied heavily upon outside assistance for the reorganization of its personnel program. Civilian personnel experts were employed. Psychologists were recruited to work on Army testing procedures and psychological studies. The United States Employment Service contributed its body of knowledge with reference to civilian job classifications and gave much assistance in classifying military jobs and writing military job descriptions. Business-machine organizations collaborated with the War Department in setting up machine operations for personnel records and statistics. And civilian personnel literature proved invaluable in the formulation of policies and the development of military personnel rules and regulations.

Army personnel administration was not reorganized overnight, nor has it yet reached the stage of perfection. As the Adjutant General pointed out in connection with his article on Army classification, the time factor has been so important that careful experimentation and planning have often had to be sacrificed for speed. The same observation may be made with reference to the over-all personnel process. Then, too, new procedures have had to be carefully initiated to prevent repercussions that might be detrimental to the entire program. The resistance to change exhibited by the various commands and organizations has made it important that the new procedures show immediate results. Changes could be instituted only as rapidly as organizations could absorb the new methods of operation. But, under the planning and coordination of the Adjutant General's Department, the accomplishments in the short space of three years have been little short of miraculous.

The present Army personnel organization dwarfs any civilian personnel organization. Though the total number of military job classifications is not so great as the total number of civilian job classifications, any

individual Arm or Service—for example, the Armored Corps or the Quartermaster Corps—has more classifications than any single civilian organization. With one main exception—the wage-labor-union problem—Army personnel procedures, step by step, are comparable with those of civilian industry; and in certain respects the Army's task is more difficult.<sup>1</sup>

The Army's personnel program in the fields of testing, selection, classification, and training has been quite similar to the program pursued by any civilian organization that has a good personnel system. Recruitment, of course, differs by virtue of the draft law. But, even though Army technicians are not directly concerned with the procurement of manpower, they are vitally interested in the quality of draftee personnel, since the type of man drafted and his placement potentialities determine what phases of the personnel process he will have to undergo. Just as civilian industry has experienced difficulty in finding qualified personnel, so has the Army been handicapped by draftee soldiers who are in some or many respects below average or who possess little or no experience or training in a trade or skill. Various phases of the Army personnel program have been modified as the nation has dipped further and further into its reservoir of manpower and drafted "borderline" men. Branches of Arms and Services with highly technical missions to perform are finding that, even with increased emphasis on the training program, many of the men fail to meet the desired standards.

Although somewhat different in aspect, the ever important factor of employee morale with which civilian personnel organizations are much concerned is fully as

important in the Army. The special service officer, the chaplain, and the personnel officer are all concerned with morale as a staff problem—the special service officer in recreational facilities and programs, the chaplain in moral and spiritual guidance, and the personnel officer in the soldier's job interest, his placement, and his training. The morale factor is vitally important in overseas theaters of operation, and staff officers charged with the responsibility of aiding the commanding officers in personnel matters must, within the limits of Army regulations and the facilities available, neglect nothing in the interest of soldier welfare.

The Army personnel system operates in a constantly changing environment. In this respect its task is more difficult than that of the average civilian personnel organization, which can maintain a far greater degree of operational constancy. The Army personnel officer has a housekeeping organization which is constantly in a state of flux. Office facilities, especially in theaters of operation, are far from adequate; there is a high rate of turnover of personnel records; and members of the personnel staff are continually being reassigned to other organizations for the formation of a new cadre or for other reasons. These day-to-day changes quite naturally result in the development of a personnel organization with operating procedures geared to change. In many cases the changes are executed with such rapidity that most civilian personnel organizations, if challenged to a similar performance, would "immediately if not sooner"—to use an Army expression—find themselves in a state of confusion.

It is granted that frequently unwarranted conclusions are drawn as to the similarities of organizations that operate in different institutional environments. The writer believes, however, that Army and civilian personnel organizations have more in common than is outwardly apparent. The Army has, directly or indirectly, bor-

<sup>1</sup> By placing in one category the many aspects of what I have called "the wage-labor-union problem" I do not wish to minimize its importance in civilian personnel operations, but merely to point out that Army personnel procedures have not had to take into account the many factors involved in this problem which are of ever-increasing concern to personnel officers in private industry and government.

rowed heavily from the experience of civilian organizations. But the Army has also added to borrowed techniques and improved upon standard personnel procedures. Through its contributions it will be in a position, especially upon demobilization, to repay its debt to civilian personnel systems. The fields in which such contributions are being made are briefly reviewed in the section which follows.

## II

**1.** THE ARMY personnel system has trained thousands of individuals in personnel procedures. Civilian personnel organizations will, at the end of the war, be directly benefited by this reservoir of talent.

In conjunction with the procedural reorganization of the Army personnel system, the Adjutant General's Department set up a program to recruit and train talent for personnel work. Personnel technicians and psychologists on the Adjutant General's staff formulated training programs for personnel officers. The Adjutant General's School has trained officers, officer candidates, and, more recently, enlisted men in the field of personnel administration and classification. This body of manpower has been the main source of technicians for field organizations. Field organizations, in turn, have selected and trained personnel and become the source of manpower for other organizations.

Individuals engaged in Army personnel work, exclusive of those in personnel work who are members of the Regular Army and who will, for the most part, not be available for civilian employment, can be roughly bracketed into three main classifications. The first category includes officers and enlisted men who had had personnel experience in civilian industry. Their varied backgrounds have proved invaluable and have resulted in many contributions to Army techniques. The second category includes the large number of college students or graduates who had majored in psychology,

personnel administration, or allied subjects, but who possessed little or no practical experience. And, finally, there are individuals who possessed no formal training or experience in personnel administration, but whose traits and talents made desirable their selection for training. In recent months personnel psychology units of the ASTP have provided intensive training to a limited number of men with varied backgrounds who have applied for or who have been selected for such work.

Not all men engaged in Army personnel work are over-all technicians; many are specialists. There are, for example, men who have specialized in testing and test interpretation, men whose training in psychology and psychiatry have made them "naturals" for specialized case work in connection with the placement and training of the maladjusted soldier, and men who have become first-rate occupational analysts. But, specialists or otherwise, a great number of these men will be available for comparable postwar positions in civilian industry. Their morale is excellent, and they have a keen professional consciousness. They constitute a corps in which individual survival has depended upon the best in technique and the utmost in effort.

**2.** In World War II the Army has done much administrative experimentation and reorganization to improve the personnel function as a staff process. It is axiomatic that a staff service must be organizationally patterned to meet the requirements of the line organization which it is serving. In the Army, each Arm and Service has its own peculiar personnel processes and techniques and has patterned its organization accordingly. It is impossible at this stage to delineate the managerial advancements or to suggest which will be adopted by civilian industry. Reference can be made, however, to some interesting developments.

Army commands have concentrated on creating personnel organizations firm in responsibility but structurally loose in out-

line. Ever-changing spatial relationships have necessitated an organization that can flow with the stream of events. In a personnel system where units are created overnight, and as precipitately are reassigned for new missions or disappear completely, no personnel officer can draw a fixed organizational chart for the next annual period. Army personnel departments literally travel on wheels. To compensate for organizational instability, lines of authority and proper working relationships have been maintained by putting increased emphasis on channels of communication, liaison contacts, and machine record controls.

There has been a tendency toward functionalization within the personnel process by making the classification and assignment function and the machine records function auxiliary to other operations. This may be because, having been introduced more recently, they have not been integrated so closely into the personnel process.

There have been notable trends of centralization and decentralization in personnel operations. Certain organizations are operating under a so-called unit personnel system—a highly centralized setup. Other organizations are operating under the modified unit personnel system with decentralization of certain procedures. And, finally, many organizations are operating under a decentralized system in which the various processes are carried out so far as possible in the lowest units of command with the higher echelons performing integrating functions only.

Many unusual operating techniques have been devised to facilitate the personnel process. Among the more common are the roving field organization—a traveling personnel unit designed to assist commands overburdened with personnel work during periods of intense activity, or a unit "on the road" specifically for the administration of certain processes; the roving field inspection team—a small detail of men performing the function that the name implies; the person-

nel trailer—an office conveyance for field operations; the personnel tool kit—a small box containing personnel materials essential to the performance of one or several operations; the replacement pool—a unit furnishing a reservoir of manpower; and the "guinea pig" organization—a personnel unit designed as an experimental laboratory or set up as a model for other units to follow.

3. The Army testing program is the most extensive and elaborate of any mass testing program ever undertaken. The contributions of the Alpha and Beta tests used during the last war to testing techniques and to the measuring of intelligence will be but a fraction of the contributions that will result from World War II. From the soldier's initial days at a reception center where he undergoes a battery of intelligence and aptitude tests, to the replacement training center where he is subjected to tests peculiar to an Arm or Service, to the technical training school where educational achievement tests are given, to the field where he undergoes on-the-job performance tests, the soldier's career is catalogued by tests. It is not unusual for the soldier, within the course of a year, to have been subjected to from six to ten paper-and-pencil tests (exclusive of achievement tests in school courses), one or two oral trade tests, and a couple of job performance tests. The soldier's assignment and opportunities for advancement are in no little measure determined by his test scores.

All official Army tests have been scientifically constructed. The Classification and Replacement Branch of the Adjutant General's Office has been the pivotal agency in the testing program. The tests are administered under controlled conditions, and the results are being compiled. These data should be of great value in the postwar period. Although based upon Army experience, many of these tests can be modified for use in civilian industry. Army test data will also serve as a source of knowledge and statistics for the construction of new tests.

In the process of Army demobilization test records should be useful in placing men in civilian industry.

4. The Army personnel program has been closely related to the training of Army manpower. Actual responsibility for the training function rests with the staff organization G-3, Plans and Training, but personnel officers have been represented in all aspects of the human equation of that program. The relating of the operations of the personnel and training organizations has been a major factor in the realization of the fullest in individual capacity in the minimum period of time.

One has but to survey current popular literature to note that the Army is using every conceivable training procedure and device in producing military skills. It has combined formal classroom work with on-the-job training, and its training methods have included every technique known to vocational instruction. The training ground has been the open field, the hastily constructed barracks building, the elaborate technical school, the factory of civilian industry, and the colleges and universities of the country. Although the Army's training program has been conditioned by the exigencies of war, we can make these observations with respect to what it may contribute for civilian industry: (1) Army experience has illustrated the importance of synchronizing, step by step, the personnel and training functions. It gives strong support to the practice, common in civilian industry, of assigning responsibility for the training function to the personnel department. (2) The Army training program has been flexible and to no little extent predicated upon the caliber of the manpower selected for training. It gives rise to the observation that for a successful and efficient training program it will be necessary to consider carefully the type of personnel to be trained, their backgrounds, experiences, and skills, and to adapt training procedures accordingly. (3) The Army has been a train-

ing ground for many skills needed in civilian life. In the demobilization process, the personnel officers of civilian industry will do well to recruit actively individuals whose Army training and experience immediately qualify them for identical or similar positions in civilian industry.

5. Modern warfare, a driving combination of mechanical and psychological force, has created difficult personal adjustment problems for each individual soldier. Under stress, individual physical weaknesses and mental complexes show up and often become determining factors in combat efficiency. The Army's work in the proper assignment of men and in dealing with the physically and mentally handicapped will rank as one of the supreme personnel achievements of this war.

The induction into the Army of limited-service men, men with physical deficiencies, has necessitated special attention in the personnel process to their classification, training, and placement. The soldier's ultimate assignment has to be where the physical deficiency will not handicap his performance. Accordingly, personnel departments of the respective Arms and Services have studied military job classifications to determine the minimum physical qualifications essential to the performance of each job. In cooperation with the Medical Service, the personnel officer appraises the soldier's physical limitations and recommends training for job assignments where his particular physical deficiencies will not prove a handicap. The emphasis has been upon putting the best physical specimens in the combat zone and in assignments where physical perfection is paramount.

Army experience with the mentally handicapped (rough terminology for individuals who are far below average in intelligence or who have manifested some psychic aberration) has also resulted in specialized programs. Individual testing programs involving mental measurement tests are administered to determine the intelligence ratings

of those classified as mentally retarded. Literacy programs are conducted for the educationally deficient, and special training companies or squadrons have been initiated to train the slow learner. Special care has been taken to place the mentally retarded soldier in an assignment where the nature of the task bears direct relation to the mental abilities he possesses. Another category of individuals includes those, ranging from backward to precocious, who fail to make the proper adjustments to Army environment or who have been subjected to undue emotional pressure in the execution of an assignment. Careful individual case study may result in the recommendation of remedial measures—change in physical environment or military assignment, a rest period under medical and psychiatric observation, or the alleviation of the unfavorable conditions which contribute to mental pressure. The Army personnel officers and psychiatrists of the Medical Service maintain close working relationships in the follow-through on individual adjustment cases.

Statistics show that during the last decades the ever-growing impersonality of modern organization has been accompanied by an increasing number of individual and personal maladjustments. The high degree of job specialization and the assembly-line atmosphere are demanding, on the part of the worker, special physical attributes and mental modes which he may not possess and which he may encounter difficulty in acquiring. The Army's studies on the individual and his relationship to his working environment should furnish a body of data which will greatly facilitate further research in a field as yet only partly explored.

6. Many of the elaborate procedures that are now a part of the Army personnel system could not have been instituted without the introduction of machine operations. The use of business machine equipment is evident in a network of operations that covers every theater of command. The use of machine records, for example, for one

phase of the personnel process, classification and duty status of personnel, "is the largest installation of machines and cards for a single purpose in the world."<sup>1</sup>

The importance of the business machine in clerical routine has been apparent to civilian industry; less obvious has been the importance of machine methods for purposes of staff planning and organizational control. The Army has mechanized clerical operations with a view to facilitating the communication of data and statistics, through channels of command, in forms useful to the sources of control and decision. In complex organizations, the personnel officer is far removed, temporally and spatially, from the sources of information. The business machine is fast becoming the means of communication and the impersonal interpreter and adviser on matters requiring action. It is in this respect that the Army's use of machine equipment is most significant.

In the adaptation of business machines to Army personnel functioning, there has been much collaboration and joint planning on the part of Army officers and business machine representatives. There has been technical development of the machine equipment, and originality has been shown in the designing of personnel forms for machine record use. With minor changes, both machines and records can become standard personnel equipment.

7. Anyone familiar with Army standards will appreciate that no military program is adopted nor any process introduced until it has been carefully tested. The reorientation and the reorganization of the Army personnel system has been no exception to this rule. Every phase of the personnel program has been buttressed by research and scientific study and tested under controlled conditions. An inevitable by-product has been a great contribution to the field of personnel research and literature.

<sup>1</sup> "Business Machines Go to War," <sup>2</sup> *Bulletin of the Adjutant General's School* 52 (April, 1945).

For military reasons, the personnel public has had little access to sources of information regarding Army personnel procedures. Most of the military writings have been confined to Army regulations and memoranda, technical manuals, and restricted brochures. Some impression of the amount of military publication in the personnel field may be gained from the fact that War Department personnel regulations and memoranda total over two thousand pages, that some of the technical manuals are book-sized volumes, and that the author in his own average collection has over five thousand pages of printed material dealing with military personnel procedures. There have been a very few contributions to popular and professional journals, excellent though limited in scope. Not all research projects that the Army has undertaken are being published, but it is consol-

ing to remember that the Army fetish for the preservation of records will save the source material for postwar study. When the war is over, many of the persons now doing research will have the opportunity to publish the results of their experiments.

A historical branch has been established in the Military Intelligence Division of the War Department General Staff, the functions of which include the preparation and publication of administrative documents and histories. An advisory committee of civilians and military officials has been appointed to advise the chief of the historical branch regarding the selection and scale of projects to be undertaken. Institutional studies of military personnel procedures in World War II to date provide an extremely significant source of ideas, techniques, and philosophies for the civilian personnel profession.

# Toward Objective Production Standards

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THE literature of public administration has been piling up fast during the last decade. There have been many articles written concerning efficiency ratings, job classification, employee training, merit systems, and administrative legal philosophy. Some of these articles contain thoughtful suggestions on relatively limited phases of the administrative process. There has, however, been little help on how actually to operate an organization. Occasionally an article on organization or procedure analysis strikes center—but only occasionally.

The reason for the existence of any organization is to accomplish its objective—to produce. This means it must produce something or "somethings." These "somethings" are units which usually can be divided into subunits. Employee training is for the purpose of producing more and better units. Organization is for the purpose of marshalling human resources in such relationship that the best units are turned out in the least time. The merit system is to insure getting people who can turn out the best units quickest. Incentives are to stimulate the worker to produce more and better units. These elements of administration have been discoursed upon, though perhaps in more indirect language.

But a search for help on questions such as "What are production units?" "What are best quality units?" "How are units of various types determined?" "What are some standard times and costs for specified

units?"—a search for such information results in a terrible letdown. Delving into public reports may reveal a few costs figures. Often they are open to suspicion, however, since they have been prepared for taxpayer and legislative consumption and not for administrative use. There are reliable cost data for ton-miles of garbage removal. But the discovery of a few fugitive data like these merely brings their general paucity into relief.

Why aren't there more time and cost production data? Two reasons may be cited immediately: (1) It is easy to run an inefficient organization without proper scheduling, without encumbering expenditures on a project and unit basis for cost analysis, without evaluation of results of operations. (2) Administrators who have developed production data of various types have neglected to publish them for the use of others.

The Bureau of the Budget and many agency administrators profess keen interest in project costs. They have generally neglected to consider, however, that the total project cost is the sum of the costs of the many components of the project and that the reliability of the project cost figure depends upon the reliability of the component cost figures. When data and standards are available for all the components which go into a work project, more exact cost can be determined, and the project estimates are a matter of simple calculation.

In addition to their use for cost and budget purposes, records of production are useful in many other ways. They are the best criteria of the effectiveness of incentives. They indicate fatigue points in the day and in the week. Only with production records can control tests of the effects of

NOTE: This study was made possible by the encouragement of Dr. O. C. Stine, head of the Division of Statistical and Historical Research, U. S. Department of Agriculture; and by the cooperation and suggestions of Edna Riebow, supervisor of the stenographic pool.

various working conditions be made. And the employees themselves may find them very useful in analyzing their weak and strong points and developing consistently high production.

This paper describes an attempt to establish administrative standards and procedures by more objective and refined methods in the Division of Statistical and Historical Research of the U. S. Department of Agriculture. To do so, time and quantity data for the standardization of both professional and clerical work processes were collected. Many of the early data have not been satisfactory, principally because of faulty classification of work activities and products. Most progress has been made with the work of the stenographic pool. The results of the study of the typing and stenographic production in the divisional pool are related in this article. It is a humble example of the work records of only a dozen people doing clerical work out of the hundreds of thousands of federal workers doing all sorts of complex tasks. The information given here may not do much toward putting all federal work on a scientific basis. It may help, however, since typing and stenography are a large part of the work and cost of almost every government project. In the Department of Agriculture almost 20 per cent of the employees are typists or stenographers.

#### *Method of Recording Production*

**I**N PRELIMINARY trials, a production record form was used on which the clerk submitted only the total number of units produced of the various types of work, without specifying time spent on each type. This form left too much to the imagination of the workers; since they did not always keep a record of each job, it was difficult for them to remember at the end of the week what they had produced; there was no time relationship indicated among the various units that were being produced; and it was impossible to convert the data into one common unit of reference. The

necessity for having one over-all unit of reference became evident when an attempt was made to plot total production as a single curve.

The form used in the study described in this paper has definite advantages over the forms used previously. Columns are set up in which the clerk may record the quantity of each important type of work produced—"copy from rough draft," "stencils," "transcribed dictation," and "miscellaneous"—these in turn subdivided into such items as "letters, single and double spaced," "pages, single and double spaced," and "tables, small, medium, large." The stub is used to indicate the time spent on the various types of work during the day and is broken into 15-minute periods. Entries in these columns (excluding the "miscellaneous" column) account for about 90 per cent of the production time spent in the pool. Entries are easily made, and after three or four weeks of operation the use of the form becomes a habit. The form has a tendency to make members of the pool time-conscious; it is so designed that it removes guesswork as to time or quantity of work that has been produced; it provides data to gauge the progress of work through various stages as it goes from copy to stencils, etc.; it is comparatively easy to recapitulate; and it can be adjusted to the use of other agencies merely by changing the column headings to correspond to the types of work performed.

The instructions to the clerks are relatively simple, as follows:

1. Count each page as one unit. (Everything over  $\frac{1}{4}$  page counts as one page. Less than  $\frac{1}{4}$  page is not counted.)
2. Do not count the same work twice. If a page must be done over because of error, it should be counted as one page, not two. The time required for the original typing should be noted.<sup>1</sup>
3. Choose the stopping time closest to the period indicated. Example: stopping at 9:23, indicate 9:30.

<sup>1</sup> This makes a record of errors less important inasmuch as a high rate of error is reflected by a low production rate.

It is imperative that the supervisor make sure from the outset that these three simple rules are carried out to the letter.

#### *Conversion and Recapitulation*

STATISTICAL averages are used in converting and recapitulating production and cost data. (The use of averages is possible since it has been found that the rates of time for doing different types of work tend to be consistent.)

Since more than one kind of thing is produced, it is necessary to make a composite of these products in order to plot total output by periods. Pages (single-spaced, copied from rough draft) are the largest factor in the total production of the pool. The average time for producing each page (single-spaced) is used as a base unit of reference, and other types of work are expressed in terms of this factor. To illustrate, the average time for producing the base unit, a single-spaced page, is 20.3 minutes, and the time required to type a small table is 37.0 minutes. Therefore, one small table represents 1.8 of the time for a single-spaced page. The same process of relating average times for various types of work to the base unit of time is repeated for each type. One hour of miscellaneous or dictation time represents 2.96 basic units, since the unit of reference is based on 20.3 minutes.

If, on one specific day, there are 96 basic units produced, these 96 units might represent 96 pages (single-spaced), or 53 small tables, or 104 letters (single-spaced), if it is assumed that only one type of thing is produced during that day. The reliability of the unit has been verified by working through the process with large tables, which take the longest time to produce, as a base.

To summarize the production of the pool, the daily quantity production and the daily time are recapitulated into a monthly production record and a monthly time record for each individual in the pool. The total quantity of each type of work pro-

duced for the month, divided by the total time consumed in producing the work, gives an average production time for the month for each type of work.

The monthly time record and the monthly quantity record are combined into a monthly pool summary for comparative and analytic purposes. There is shown for each individual the quantity of each type of work produced for the month, the time it has taken to produce this quantity, and the average time in minutes. The average time in minutes is multiplied by the clerk's wage rate per hour to give the average direct labor cost of producing a unit.

In order to keep informed concerning the level of production for the entire pool, the supervisor compiles production totals in terms of the basic stenographic conversion units by the day and month. This information is recorded in tabular form and then charted.

#### *Results*

THE tables and chart described in the previous section have proved extremely helpful in achieving intelligent and efficient operation of the stenographic pool.

From the monthly pool summary the supervisor is able to observe variations from the standard time for each type of work; that is, if the standard time is 20 minutes for a single-spaced page, and the monthly average for a clerk is 18 minutes, she has typed single-spaced pages at a plus 10 per cent efficiency. If the monthly average is 22 minutes, the clerk has operated at a minus 10 per cent efficiency. The standard time may be considered as a budget standard. Either plus or minus efficiency should be noted and analyzed.

Individual producing capacity, as shown by these records, has in some cases deviated as much as 40 per cent from the standard, which would mean in dollars and cents, at a clerical wage rate of 60 cents an hour and a budget standard of 20 minutes per single-spaced page, a fluctuation of 8 cents in direct labor cost.

Graphic portrayal of the data aids the supervisor in checking production against the standard level which the supervisor wishes to maintain for the pool. A monthly chart showing graphically the number of units produced per day is valuable because it makes possible quick recognition of valleys and peaks in production. In the pool under experiment it was found that the work load was light at the beginning of each month and heavy in the latter part. Immediately steps were taken to build up a backlog of work for the slack period and to flatten out the peak period by better scheduling.

In addition to the regular working summaries already described, special summaries and charts are prepared from time to time. These special summaries and charts may indicate checking time in comparison with work load, individual production rates for types of work, and other analyses which give significant information concerning the work situation.

Of course, all has not been pure milk and honey. There have been objections posed, such as: the method encourages quantity production at the expense of quality; production variables within a type of work, such as the number of carbon copies, are not reflected in the work record; the clerks feel that they are being treated like children and "checked on"; the supervisor can control production without this rigmarole; and the cost and annoyance of keeping and recapitulating the records are not warranted.

Although each of these may represent an attitudinal barrier to the successful operation of the method which should be considered, they are easily disposed of as practical matters. Minimum quality standards should be maintained; variations of difficulty within a type of work will usually be compensatory over a period of a few days; the clerks should be informed of the objectives of the records at the outset and assured that the results are to be used primarily for over-all pool operations and secondarily for information concerning in-

dividual performance; the supervisor cannot "guess" the information that she derives from the records; and, finally, the production records have proved their worth during a six-month test.

Production increased steadily during the entire test period. "Soldiering" was discovered in the case of one veteran clerk; this, although undetected by the supervisor, had been the cause of dissension and lowered morale in the pool. The extent of uneven work load was revealed, and measures were taken to smooth it out. The data were used to aid in establishing efficiency ratings for the clerks. Time standards were used for estimates of the time required to do a job and to provide a sound basis for estimating budget requirements. These advantages were realized at very little cost of time, when the procedure for recording and summarizing production data had been fully established.

#### *Conclusion*

THE method which was used in the Division of Statistical and Historical Research can be applied to the typing and stenographic work of all organizations. However, the principles of recording and controlling production need not be limited to typing and stenographic work. They may be extended to repetitive tasks in all types of activity—custodial, clerical, technical, or professional—in which the tasks are sufficiently similar to have predictable consistency in the amount of time required to produce approximately the same quantity and quality of work units. It is highly important that experience from extension of the principles to other types of repetitive tasks be made available to the management profession through journals, meetings, or other media, so that the methods in use may be refined and improved.

One word of caution is in order. Management is more than standard methods and procedures. Management involves human motivation, and human motivation cannot be fully stimulated by mechanical

contrivances. Scientific method requires co-operation in its application. But social rapport alone cannot produce the organization with sustained high quality and quantity production. The seed of scientific method

must have the fertile soil of social cooperation in order to thrive and bear fruit, and the rich soil of social willingness will produce fruit only if the seeds of scientific method are planted.

# Interagency Communication at the Regional Level

By JOHN M. DOBBS

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THE sociologist of the future may well decide that a suitable subject for historical research lies in those fascinating strata of current American public administrative life known as the national, regional, state, and local levels. My purpose in this discussion is to assist the unborn historian by describing at least one method of operating on the regional level which has been productive of excellent results. Whether this brief story of our experience in New England will be of benefit to the living as well as the unborn is problematical. Generally speaking, students of public administration have had rather exceptional opportunities during the past three years to observe and study many new developments in the field of governmental activities. Some of these undoubtedly will disappear after the war. Others will remain. *In toto* they will have exerted a considerable influence on our political life.

We know that even before we actively entered the war the defense program had brought about the creation of many new federal agencies. Sweeping decentralization moves followed, affecting many of the old line agencies as well as the "war babies," and the "levels" of administration and operation mentioned above became as crowded (and as dangerous!) as prewar highways. A period of fumbling and stumbling was inevitable, with the confusion worse confounded by the establishment of new agencies under state and local governments, and the appearance of a wide and wild variety of private and quasi-public organizations.

The detailed reasons for the confusion are not all pertinent to this particular discussion, but one generic cause may be suggested: the fact that in many instances agency officials (all perfectly able men, perhaps) were relating the present too closely to the past, failing, in consequence, to appreciate that the very magnitude of the physical and political problems involved, and the speed with which they had to be solved, actually created basically new problems. The President recognized this, when, in one of his talks shortly after Pearl Harbor, he warned against the danger of comparing this war with the war of 1914-18. It was necessary to study the past; it was unwise to depend upon it. And with a few exceptions (Bernard Baruch being an outstanding one) the younger administrators and officials seemed less inclined to make this mistake than the older men. At any rate, history appears to indicate that it is easy to recognize changing conditions but difficult to change with them.

In the first place, government entered the lives of the people as it had never done before. The home, the store, the office, the factory—all were victims of this necessary invasion. Government—that bad bogey, that fierce *nominis umbra*—peered indiscriminately into the housewife's jam closet, the banker's till, and the manufacturer's warehouse. The full significance of this does not seem to have been fully understood even up to the present time.

Another misunderstood factor was time which, "like a winged chariot at our heels," constantly harried us. It was difficult to es-

cape the past, with its leisurely methods of research and analysis, its long periods of calm deliberation, and its endless entertaining conferences. But the war refused to wait. The work of one month had to be compressed into twenty-four hours, many beautifully organized peace-time procedures had to be consigned to the dust bin, and decisions had to be made quickly and courageously.

A third important factor, and one most pertinent to our present discussion, may be described, for want of a better term, as faulty communication. Elaborate measures were taken, of course, to keep the public informed, but relatively little was done to see that agency officials kept each other informed. Had it not been a fairly serious matter, it might have been amusing to overhear a responsible government executive complain mildly that the only way he could keep abreast of the many policies, decisions, and activities affecting his own work was to read the newspapers faithfully.

This has been particularly true, I think, of interagency communication at the regional level. The reasons are not too far to seek. In the first place, the regional offices of many agencies were new, with widely varying degrees of authority and autonomy. Second, the regions or zones were not the same with all agencies, and the difficulties created by this overlapping have been obvious and numerous. We in New England have been particularly fortunate in this respect, as almost without exception the six New England states have been established as a separate region by the government departments. Finally, the responsibilities of local and state representatives of federal agencies have been fairly well defined, with little likelihood of their being faced with the necessity of making decisions affecting matters of policy. Regional officials, on the other hand, have been given rather broad powers of policy interpretation and action and as a result have felt very keenly the need for practical coordinating devices.

It is only fair to recollect that many of

these offices sprang up overnight and without adequate warning or preparation had to grapple with a multitude of problems ranging all the way from staffing and equipping themselves to smoothing the ruffled feathers of slightly irate Congressmen (the latter, in itself, being no mean task!).

Recognizing all these problems, and beyond them the nice but exceedingly important distinction between organized coordination and mere coordinated formalities, the New England regional heads of all war agencies about a year ago decided to find a suitable means of keeping in close touch with each other. A move was finally made by Walter H. Wheeler, Jr., regional director of the War Production Board, who reverted to the age-old but still perfectly sound custom of mixing bread and business at lunch. Now it is quite true that the very idea of a "luncheon meeting" renders many people speechless, upsets ordinarily sound digestive systems, frightens the bravest men, and, in short, is apt to be a complete flop. It is equally true that most luncheon meetings *are* a complete flop.

But, reasoned Mr. Wheeler, if a series of such meetings could be conducted successfully, if they could be effectively organized without being superficially formal, if they could be made into a practical means of communicating with one another periodically, then we would not only satisfy a long-felt need, but save much precious time.

The first meeting was held in September, 1942, with twenty men in attendance, representing the civilian war agencies as well as the Army and Navy. Luncheon, of course, was strictly a dutch-treat affair. It was held in a pleasant private dining room at the Parker House, which has been used for all subsequent meetings. The standing list of invitees now has about forty names. The highest attendance has been thirty-five; the average, thirty.

It was glaringly apparent at the first meeting that we had been badly in need of this very thing. Many of us had never even

met before, despite the fact that our respective duties were closely related and indeed actually interdependent. This was particularly true between the civilian officials and the officers of the Army and Navy.

It was soon decided, therefore, that the luncheon was to be a regular monthly affair. Other decisions concerning the meetings had a good deal to do with their continued effectiveness. First, attendance was to be kept at a minimum, with no guests allowed except on rare occasions. Second, the head of each agency should attend in person and not fall back on sending an assistant or alternate unless this should be an absolute necessity. Third, reports on their respective activities would be presented by one or two representatives at each meeting, in addition to which any pressing current problems would be discussed. Fourth, the meetings and discussions were to be utilized as the bases for action whenever this seemed possible and advisable. Finally (and probably most important), conversation was to begin with the consomme, and all jokes had to be funny. Mr. Wheeler, as prime mover, presided, and the only form of protocol followed has been to see that the officers and the civilians are well mixed around the table.

Since that first gathering more than a year ago meetings have been held regularly each month. The proof of their usefulness may be discovered in the fact that the "regulars" have really attended regularly. There has been no disposition to avoid the luncheon or to send substitutes.

A review of the various agencies represented should be of interest.

For the Army: the Brigadier General in charge of the Boston Ordnance District; the Brigadier General in charge of the Springfield Ordnance District; the Army-Navy Electronics Procurement Agency; Labor Branch, Headquarters, First Service Command; First Transportation Zone; Boston Chemical Warfare; Air Corps Procurement; Quartermaster Corps; Regional Field Office, Selective Service System; Wa-

tertown Arsenal; New England Division, Corps of Engineers.

For the Navy: Civilian Personnel Officer, First Naval District; Inspector of Navy Material; WPB Naval Advisor; Naval Torpedo Station, Newport; District Supply Officer, First Naval District.

The civilian agencies: War Production Board, War Manpower Commission, War Shipping Administration, Office of Defense Transportation, National Housing Agency, Reconstruction Finance Corporation, U. S. Civil Service Commission, Office of Civilian Defense, National Labor Relations Board, Department of Commerce, Office for Agricultural War Relations, Smaller War Plants Corporation, National War Labor Board, U. S. Maritime Commission, Office of Community War Services, Solid Fuels Administration for War, Food Distribution Administration, Petroleum Administrator for War.

The intangible benefits have been too numerous to mention. Suffice to say, we have all known more about each other's problems and have found more ways of assisting each other than would otherwise have been possible. We have avoided the egregious mistake of having the regional head of one agency make a public statement in direct contradiction to statements issued by others. We have grown to know each other personally and as a consequence have called upon each other freely at all times for advice or assistance. We know what is going on in the region concerning manpower, materials, officer procurement, selective service, housing, transportation, and so on. And each one has developed a lively appreciation of the fact that his own particular job isn't the only one loaded with problems.

There have been tangible results as well. Out of these seemingly aimless luncheons have come new labor stabilization policies, revisions in manning tables, the securing of urgently needed labor, the review of inventories leading to the recapture of tons of vital materials for the national pool, and

reports effecting important adjustments in housing and transportation programs, to name but a few.

In addition, the luncheon meetings have already had an effect in some of the more important war production localities in the region, such as Portland, Maine, where the same practice is being followed on a state and local level.

Perhaps it is worth while remembering

that many of these men will return, after the war, to the responsible positions in private business which they had held previously. Others will continue their governmental or military careers. The fact that they have all discovered a real value in the form of cooperation typified by these luncheon meetings is pregnant with possibilities and, I like to think, bodes well for the future.

# Reviews of Books and Documents

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## On Governors

By Leonard D. White, University of Chicago

THE WAR GOVERNORS IN THE AMERICAN REVOLUTION, by MARGARET BURNHAM MACMILLAN. Columbia University Press, 1943. Pp. 309. \$3.50.

### I

A SENSE of history is deeply impressed upon the visitor to the old state capitals of the seaboard states. Here royal governors in their wigs and laces, Revolutionary governors in their powdered queues, and later governors in their military or civil dress look down upon the passing occupant of the chair which once they filled. What the Revolutionary governors did, what dangers of capture and execution they ran, what problems they faced, what negligible resources they possessed, how they were elected—these are the themes of Miss MacMillan's excellent study. Her fascinating pages, based on careful study of original records and documents, bring these war governors again to life. In successive chapters she describes the overthrow of the royal governors, the establishment of chief executives in the states, the constitutional and statutory power conferred upon them, and the critical job which all of them faced in helping to "win the war."

To students of public administration greatest interest may center in her chapter on wartime state administration. The "more astute governors" took up residence near the army, were eternally vigilant, and were ready to move at any moment. Their contributions to the success of the Revolutionary cause were substantial; some actually led their troops, all became Washington's principal reliance for men and supplies. They were indefatigable letter writers, although secretarial help was always slender and sometimes nonexistent. In 1778 Governor Clinton of New York wrote, "I am so Circumstanced at present so much to

do & no Body to assist me that I can hardly steal a Moment to write to my Friends."

The election of governors (not always by popular vote) during the war period was influenced largely by considerations of personal prestige. The tendency was strong to reelect governors repeatedly, although the exigencies of military leadership caused the downfall of some—Lowndes of South Carolina and Jefferson of Virginia, for example. The circumstances of Jefferson's failure as governor, and its psychological effect upon the future Secretary of State and President, still remain to be fully explored.

The contribution of this book to the history of state government and administration is greatly to be welcomed. While direct answers from the past are not always forthcoming to the problems of the present, an invaluable sense of perspective and direction may be derived from investigations such as this. It suggests, indeed, a further volume on American governors from 1800 to the Civil War.

### II

Miss MacMillan's study provides a convenient occasion to reflect upon the character of contemporary governors. What manner of men are they? To what degree do they measure up to the responsibilities for which they compete? Are they, indeed, as Governor Pollard of Virginia once quipped, not "Your Excellencies," but "Your Accidencies"? Could one borrow a phrase from Lord Bryce and write a chapter on "Why Great Men Are Not Elected Governors"?

In order to limit the subject let us consider American governors in the twenty-year interval between the two world wars—a couple of decades which certainly called for all the talents with which they were endowed. Some notable figures emerged during these years:

Al Smith, Franklin Roosevelt, and Herbert Lehman in New York, La Follette in Wisconsin, and (stretching the time span a little) Stassen of Minnesota—to forecast what already is an impressive and may well become a brilliant career. These men belong to the public life of the whole country as well as to the states which they have served. The astonishing fact is, however, that even with the addition of such favorites as each reader may require to satisfy his sense of justice, the number of distinguished governors is so small.

Unwilling to trust my own judgment and acquaintance with governors, I recently invited fifteen of my friends who circulate freely among them to select (privately) from among the two hundred and more who had held this post from 1930 to 1940 those who could be called distinguished. Distinction, I suggested, might consist in the quality of their contribution to the state over which they presided, or in the character of the public service rendered subsequently on the national scene, or in personal accomplishments such as those of Governor Cross of Connecticut. My friends confirmed my own depressing conclusion—they could agree on not more than ten or twelve.

Still determined to rescue if possible the reputation of governors, I began to inquire what states, during the last two decades, could boast a generally unbroken line of able governors. New York qualified; Wisconsin qualified down to the election of Heil; Virginia qualified with a succession of able if not distinguished governors—and then I came to a full stop. Massachusetts (God save the Commonwealth) could not qualify, nor Pennsylvania, nor Ohio, nor Minnesota, nor California, nor Louisiana. And when one came to consider such states as Illinois, or Missouri, or Tennessee, or Georgia, or Arkansas, the less said about some governors the better.

If these strictures seem unduly severe to the friends of governors during our time, I might suggest the following test. "Give the state of which each of the ten following men was governor, and the principal policy for which he stood: Bailey, Baldwin, Donahey, Ely, Hoey, Caulfield, Phillips, Ratner, Sprague, and Wilson." If you flunk the test, you may claim the question is unfair and the professor ought to be let out. Make up, then, your own list

(excluding New York, Wisconsin, and Virginia) and reach your own conclusions.

A reasonable criterion of judgment of governors, as executives, is their attachment to an impartial, nonpolitical, and competent state public service. Here again we must note governors who have been intelligent and able advocates of sound public service standards, whether embodied in a formal civil service system or not—men like Winant of New Hampshire, Byrd of Virginia, Vanderbilt of Rhode Island, Jones of Louisiana, and Murphy of Michigan. But the record also displays a depressing list of governors who seem to have little concern for an efficient public service (the only kind that can delay further losses of power to the expanding federal government), if, indeed, they do not possess a perverse interest in reducing the administration to the lowly status of servant to a political machine.

American governors cannot now excuse themselves for lack of power, as might most of the Revolutionary governors. The innovations launched by Governor Lowden have given most of them agencies of administration reasonably adapted to the needs of the times; and, if not, a modest amount of skillful leadership will produce what is required from otherwise leaderless assemblies. Nor can they take refuge in lack of opportunity for leadership, for since the days of Governors Theodore Roosevelt and Woodrow Wilson the willingness of the people to accept executive leadership is clear—and certainly they have no competitors.

Some governors are ruined by the presidential bee (or the vice-presidential). Any governor, almost, can imagine that he is either leading the field, or a favorite son, or at the worst a dark horse. Such delusions, or ambitions, are often fatal to success in the gubernatorial chair.

Nearly all governors are handicapped by their failure to realize the necessity of sound technical advice. To organize the policy and direct the administration of a state it is essential to understand the economics of contemporary life, the deeper underlying social trends of the time, and the technical means of achievement of goals, as well as to be sensitive to public opinion. What continuing general

staff can be found in any American state to which the governor can turn for advice on economic problems? Apart from the nationally inspired state planning boards (the majority of which have failed to secure genuine state support) there are substantially none. What kind of a staff does the American governor in fact maintain in his office? Typically, a military aide, a political secretary, a couple of stenographers, and a messenger; often a budget or finance officer; and perhaps a publicity officer. This is more than Revolutionary governors had, but it is not enough.

Governors may have been reduced to relative impotence by another development. The great problems of public life have escaped the limits

of states and become national or global in their nature. Governors remain as directors of provinces but not even collectively, as directors of destiny.

In any event, it is instructive to remember that Alexander Hamilton so feared the predominance of states and governors over the nation and the president that he proposed to give the general government power to appoint every state governor and to give each of them an absolute veto over state legislation. He could not persuade his own generation, and no one would attempt to persuade ours, but we may speculate whether American governors would now be greater men, or lesser, had Hamilton prevailed.

## The American Governmental System in War

By Lee S. Greene, University of Tennessee

**CURRENT AMERICAN GOVERNMENT: WARTIME DEVELOPMENTS**, by L. VAUGHAN HOWARD and HUGH A. BONE. D. Appleton-Century Company, 1943. Pp. vii, 357. \$2.75.

**WARTIME GOVERNMENT IN OPERATION**, by WILLIAM H. NICHOLLS and JOHN A. VIEG. Blakiston Company, 1943. Pp. xiii, 109. \$1.50.

A DESCRIPTION and appraisal of the recent evolution of the American constitutional system and federal administration is the task essayed by Howard and Bone in *Current American Government: Wartime Developments* and Nicholls and Vieg in *Wartime Government in Operation*. The volume by Howard and Bone is intended primarily as a textbook and is broad in scope, whereas Nicholls and Vieg have set themselves the objective of inspecting a segment of wartime activity in a critical way. It is to be expected therefore that the first volume is primarily descriptive in character. Criticisms which are developed in this book are such as would explain the course of events; the authors themselves do not often attempt a critical analysis of the political theory and constitutional doctrine being shaped through the impact of war.

The Nicholls and Vieg volume is brief. Factual material is presented in its principal out-

lines but without the wealth of detail which characterizes the other work. On the other hand, the primary purpose of Nicholls and Vieg is evaluation. In a sense the two books are complementary, at least for those sections of our political life which the shorter book covers.

Howard and Bone, after tracing the events leading up to our entrance into war, discuss the presidency, administration, and federal personnel problems and policies. A chapter is devoted to Congress and one to parties and pressure politics. Civil liberties and war information (a marriage of convenience) are discussed in one chapter. There follows a series of chapters on alien enemies and property (prepared by Prof. Joseph A. Kitchin), finance, industry, labor, and the military. The book closes with chapters on federal-state-local relations and postwar planning.

Nicholls and Vieg are examining wartime government as it involves two matters: manpower and wage controls and food production and price control. Questions raised may be boiled down to: What is the matter with Congress? Where has the President failed? What are the public's obligations? Not only are the questions asked, but an attempt is made to find the answers, and remedies are proposed.

It would be wearisome to run through all

the details laid out in these books. The reviewer's opinion that both books are well done and worth reading can be recorded at this point. It may be profitable to draw out here those items which appear to the reviewer to be most fruitful for a commentary on our present state.

First of all, it must be said that the most pressing questions presented in these studies are questions of political and constitutional theory, with the practice of administration as a secondary problem area. This is true also of Nicholls-Vieg, even though this volume stresses administrative questions somewhat more strongly. The following principal areas of discussion seem to the reviewer to emerge from the two treatises. First and most important, the scope of presidential authority, real and claimed. Secondly, the accompanying problems of the President's relation to Congress and, to a lesser extent, the courts. Third, the process of administration of the public business (and, in these days, the private, as well). Fourth, the pressure groups. Fifth, private rights and civil liberty. Sixth, the relationship between the federal government, the states, and local units. And finally, of course, the future and whatever plans can be discovered looking to that undiscovered country.

It is appropriate that the second chapter of Howard and Bone is labelled "The Presidency," for we are apparently experiencing not only an extraordinary growth of presidential power but an extraordinarily complacent acceptance of this power. Professor Howard states: "The authority of the office [the presidency] assumes gigantic proportions, chiefly because Congress delegates [power] to the President. . . . In addition, the President is commander-in-chief of the army and navy, a function which by its nature is capable of almost indefinite expansion" (p. 27). On top of this, if he needs anything else, the President controls foreign relations.

Chapter II deserves careful reading. The President has availed himself of a variety of powers. He has declared the existence of an emergency—at first limited, later unlimited. "By proclaiming a limited national emergency, however, the President created a conflict of laws which he resolved in favor of his power to enlarge the army and navy and against the prohibition upon deficit spending"

(p. 28; italics mine). He has acquired control over territory and disposed of naval vessels by executive agreement. (Professor Howard states that agreements if submitted to the Senate are treaties; those not so submitted are executive agreements (p. 32).) It is suggested that some of the President's actions were of doubtful legality but received popular approval. He has shown a determination to base his authority on his powers as commander-in-chief in time of war. Finally, he has implied that his powers stem from the people, to whom they will be returned after the war.

On the whole, these claims on the part of the President, echoed in some cases by the Attorney General, are allowed to pass without much challenge by Professor Howard. Nicholls and Vieg are not concerned with the matter. In a mild closing rebuke, Professor Howard notes that the President's constitutional powers to marshal economic and social forces are not very strong and suggests the necessity of congressional delegation to discourage the wartime development of a theory of presidential power which might prove cumbersome in peace (p. 44).

The reviewer hesitates to step forward on the ice of constitutional interpretation. The big freeze has been succeeded by a rapid thaw and the ice is thin. Nevertheless, in a book which is intended for students there should be room for a more extended treatment of the view of the opposition, which is noted merely by a footnote reference to Professor Corwin's article in the *American Political Science Review* of February, 1943.

This view may be summed up in the following way: "The chief lesson of the war to date for constitutional interpretation is that the Constitution is an easily dispensable factor of our war effort—perhaps one might say an 'expendable' factor."<sup>1</sup> The Constitution gives full power to the national government to prosecute the war successfully. However, there still remains the question of the division of authority between various governmental agencies. The President has shown a disposition to cast aside past constitutional theory in this matter. In his 1943 Labor Day address he threatened to cast aside a statutory provision

<sup>1</sup> Edward S. Corwin, "The War and the Constitution: President and Congress," 37 *American Political Science Review* 18 (February, 1943).

enacted by Congress, under its unchallenged authority. In addition, Professor Corwin states that the President had already, in the case of the "Fifty Destroyer" deal, "thrust aside . . . legislation which was undeniably enacted by Congress in the exercise of its constitutional powers."<sup>1</sup> The President has relied heavily on his powers as commander-in-chief or "Commander-in-Chief in time of war." It has been objected that the Constitution knows no such office under the latter term. Finally, in his Labor Day speech President Roosevelt stated: "When the war is won, the powers under which I act automatically revert to the people—to whom they belong." In Professor Corwin's opinion, "This seems to suggest that the President derives his war powers directly from the people, and not *via* the Constitution, a doctrine closely akin to the Leadership principle which our armed forces are combating today in the four quarters of the globe."<sup>2</sup>

A justifiable criticism which may be directed against *Current American Government* is the failure of the authors to explore in greater detail this serious constitutional problem. It is true that Nicholls and Vieg do not deal primarily with constitutional problems, yet this question is so important that careful consideration of its aspects would have been welcome in their volume also. Nicholls and Vieg do recognize the existence of this question, in the political context. For example, relationships between Congress and the President have been embittered by "what Congress felt was misuse of the administrative discretion extended by the September act." (pp. 74-75). But questions of constitutional interpretation receive scant attention in this book.

A short paragraph is devoted to the saboteurs' case by Howard and Bone. The view is expressed that, "as a matter of fact, the President as commander-in-chief in time of war no doubt had the authority to impose sentence upon the prisoners without allowing them a trial by any tribunal, civil or military" (p. 37). This is the view taken by the Attorney General, according to Professor Cushman. Professor Cushman's comments are worth quoting: "Even some of our liberals explained that while we ought, of course, to be scrupulous to administer impartial justice according to

our traditional American rule of law, we ought not in the midst of a total war to waste time, money, and manpower by this ludicrous judicial ritual in the case of a group of enemy criminals who should have been shot at sunrise without more ado. I believe this view fails to take stock of several significant things about the Court's handling of the case and about the principles embodied in the opinion."<sup>3</sup> In Professor Cushman's opinion, "the Court [judging from this decision] will look at the question of the detention of anybody under circumstances so unusual or suspicious as to raise the question whether he may possibly be entitled to a civil trial."<sup>4</sup>

The saboteurs' case probably does not warrant too much space in Professor Howard's chapter on the presidency. Nevertheless, the sentence quoted from page 37 leaves an impression of the scope of the President's power as commander-in-chief in time of war which possibly is correct if narrowly interpreted, but which may be interpreted more broadly than is warranted. Again, I think a little space given to Professor Cushman's views (cited in the footnote) would have been in order.

Finally, I think it may be said on these constitutional points, that some attention could have been given not only to the question of the changes in our constitutional law, if presidential claims are admitted, but to the question of the *rightness* of these changes. It is not enough for the student to know merely what the Court, much less the President, thinks the Constitution is. I do not find statements which enable me to form a judgment of the opinions of Howard and Bone, or of Nicholls and Vieg, on this matter. But perhaps a notion of their views may be gained by an examination of the authors' comments on congressional-presidential relations.

Both books give the factual background of the increasingly bitter congressional-executive struggle. Both books attempt an assessment of Congress—an assessment which successfully strives for objectivity and impartiality. Among the criticisms of Congress presented by Nicholls and Vieg may be listed, from the point of view of attitudes, the subordination of public

<sup>1</sup> *Ibid.*, p. 19.

<sup>2</sup> *Ibid.*, p. 20.

<sup>3</sup> Robert E. Cushman, "The Case of the Nazi Saboteurs," 36 *American Political Science Review* 1089 (December, 1942).

<sup>4</sup> *Ibid.*, p. 1090.

good to special interests, paralysis induced by the approach of elections, a lack of understanding of labor problems, a dog-in-the-manger point of view toward executive leadership, and failure to recognize the need for administrative flexibility. Moreover, congressional machinery badly needs overhauling. Responsibility is dispersed, committees overlap, and membership on committees fails to take proper account of the various conflicting interests involved.

Dr. Bone's discussion of Congress is detailed and effective. Among the criticisms of Congress which he cites are those of *Fortune*, which he considers a "fair statement of the case against the war Congresses . . ." (p. 101). Some of *Fortune's* case is merely a disagreement with the points of view of some Congressmen, and I think it only proper, on such matters, to point out that the electorate picked Congress, not *Fortune*. Dr. Bone's presentation of the case for Congress is, however, an effective and fair answer to some of *Fortune's* criticisms.

The attitudes of Congress which give dissatisfaction in some quarters may be due to resentment against activities of the Executive which Congress regards as intrusions on its own power. This is clearly stated by Nicholls and Vieg. The executive officials have failed to show respect to Congress. They have not kept Congress informed. "By sometimes stretching their statutory authority to the uttermost limit, they have tended to destroy that 'good faith' which is fundamental if they are to maintain adequate administrative flexibility. They have overlooked the fact that Congress must be concerned with how such broad delegations of authority are used, and that Congress must play a major role in reconciling conflicts of interest" (p. 90).

I judge from my reading of both books that the authors accept the principle of wartime executive leadership based on a broad delegation of power. They seem only mildly critical of claims to broad executive power based on wartime authority of a commander-in-chief. Both books indicate that this leadership has not been adequately provided. Neither book seems to me to be concerned greatly with the dangers which may be developed by an uncontrolled expansion of executive authority, although at one point Nicholls and Vieg suggest that unionism has been led into danger-

ous reliance upon the executive branch. Mr. Leiserson is quoted as saying: "When a labor movement begins to distrust the representative institutions of a democratic government and turns to the executive power, it is time to take thought. Some European labor movements have had reason to regret the growth of a similar sentiment in their ranks" (p. 80).

Examinations of the machinery of the federal administrative branch, its difficulties and shortcomings, form important portions of both books. A summation of the pertinent chapters should include the following points. The President has been delegated extraordinary powers to take action of a program character. In addition, he has "almost unlimited power to reorganize the national administration" (Howard and Bone, p. 56). His broad administrative power is shown by the fact that even the regulatory commissions have been brought under presidential control, at least partially. All the newly created emergency agencies are responsible directly to the President, and with very few exceptions they have been created by executive order. That this is a proper distribution of power in wartime is accepted by Howard and Bone. "Since the chief executive is by the Constitution commander-in-chief of the army and navy, he should have general supervision and direction over the entire war program" (p. 57). Properly interpreted, there is probably no exception to be taken in wartime to this representation of the scope of presidential authority in administrative matters, but why should this authority be based upon the office of the commander-in-chief? The idea smacks of a military totalitarianism which arouses a feeling of uneasiness.

We may turn to Nicholls and Vieg for a specific listing of the faults of wartime administration. The same criticisms can be drawn from the factual account given by Howard and Bone, but in the former volume criticisms are made somewhat more explicitly with respect to the manpower and food control programs. The administration of the manpower and wage policies has suffered from lack of coordination, inadequate delegation of authority, and insufficient support of administrative decisions. Similar difficulties may be noted in the food program.

The President gradually created new administrative agencies. This, as is noted by

Howard and Bone, was considered a mistake by Walter Lippmann, who considered that new agencies should have been grafted onto the stock of established institutions. Be that as it may, the new agencies developed constant jurisdictional disputes.

These jurisdictional disputes have not been promptly solved. Nicholls and Vieg note, for example, that the Manpower Chairman has never had a clear delegation of authority. Mr. Chester Davis resigned as Food Administrator in dissatisfaction with the Executive's practice of making him responsible for programs on which he was not consulted.

When jurisdictional disputes have arisen, the President has followed a "marked tendency to solve administrative tangles simply by superimposing new executive authority upon the old" (Nicholls and Vieg, p. 28). The administrative agencies themselves have often as a result failed to become policy agencies and have developed into mere routine operating bureaus. This practice has solved few questions and has produced, in the observation of the reviewer, a feeling of cynical bewilderment in the mind of the general public.

The President has frequently failed to support the decisions of his own subordinates. The War Labor Board has been one of the chief victims of this practice.

What suggestions are made by Nicholls and Vieg for the improvement of executive policy and practice? The President and the executive officials should seek to win public cooperation by explanation and by minimizing confusion. The President should be more the moderator, less the champion of special interests. Members of the executive branch might observe the limits of their statutory authority more closely. The President should delegate authority, consolidate agencies, and secure adequate coordination. It seems to me that a particularly important point is made on page 102 when the authors suggest that "Congress might be asked to reconcile the conflicts of special interests in the same law. Second, where the needs of administrative flexibility prevent such a step at the outset, Congress might be asked to enact major administrative decisions into law, in order to back them with the full strength of government."

Professor Hart remarks that the President's enemies have always damned him for not be-

ing perfect.<sup>1</sup> Nicholls and Vieg damn both the executive branch and Congress for not being perfect. It must, therefore, in all justice, be admitted that the problem of coordination of a totalitarian world war may well be beyond human talent. At least some mild improvement along the lines suggested by Nicholls and Vieg ought to be possible and would certainly be welcome.

Professor Howard has written a very interesting chapter on the federal service. It is his opinion that the Civil Service Commission, in spite of some threat to centralized control of selection, has provided speedy service without permanent danger to civil service standards.

Successful government rests upon the synthesis of special interests into a common policy. A section on the nature of existing pressure groups has become a necessity in any study of current governmental affairs. Both books offer interesting data in this field. Nicholls and Vieg analyze with some care the sectional lineup in congressional committees which deal with food and labor programs. A realignment to secure a basis more representative of all interests involved is suggested. Dr. Bone investigates those pressure groups which have sought to influence foreign policy.

In addition, Dr. Bone analyzes the political party development of the past few years. In this connection the most valuable contribution is his account of the increasing use of devices to handicap and penalize third parties. His chapter was written too early to enable him to record the highly entertaining antics of the Communist Party since the dissolution of the Comintern. Also interesting are Dr. Bone's comments on the role of the opposition party. Admitting the difficulty of stating the proper wartime role of an opposition party, the author suggests that "viewed dispassionately" the duty of the minority party is to support the Administration in its requests for armaments appropriations and for necessary war powers. This whole paragraph (p. 123) implies that the minority party must support the foreign policy of the Administration. I cannot see that this is so. An opposition ought not to be confined to so-called constructive criticism of wartime machinery. Foreign policy

<sup>1</sup> James Hart, "National Administration," 37 *American Political Science Review* 31 (February, 1943).

itself must be open to attack. To expect anything else is merely to fall into a species of totalitarian thinking. I must applaud the quoted statement of Kelland that "in time of war politics is indispensable. . . . When political unity comes in at the door human liberties go out of the window" (p. 122).

Chapter VII of *Current American Government* deals with "Civil Liberties and War Information." The major portion of the chapter is devoted to war information and propaganda. The section on civil rights is a summation which leaves the impression that the record of the national government is fairly good in this area. This view has received corroboration from other sources, as well. At the same time, for the sake of students, a more complete examination of the problem of civil liberties would have been welcome. The present treatment is predominantly statistical. None of the recent cases involving the attempts on the part of municipal agencies to infringe freedom of religious belief and observance are outlined. The picture given is slightly one-sided, perhaps.

To the student of state and local government few subjects appear more important than the course of development of federal-state and federal-local relationships. Howard and Bone contribute a chapter to this important subject—a chapter which is full of detailed information covering, in fact, not only federal-state-local relationships but also state and local practices. It is notable that states and municipalities have also broken out with a rash of emergency powers. Evidently this "decree" disease is highly contagious. Thus, the governor of Massachusetts may "take any measures which he may deem proper to carry into effect any request of the President of the United States for action looking to the national defense or to the public safety" (pp. 303-4). Municipal ordinances frequently vest in the mayor full authority to proclaim emergency rules with the force of law. No attempt is made to assess the practical effect of such delegation, or resignation, of legislative power. In many instances I suspect that local emergency ordinances of this character may be more ridiculous than dangerous, but I cannot feel that the psychology is, on the whole, a healthy one.

The chapter indicates the many instances

in which federal action has been aided by state and local legislation and administrative action. In addition, the war period has been productive of efforts to secure uniform state action. Since the book was written, however, there have been instances in which federal attempts to secure municipal backing have been sharply rebuffed. The OPA has made a "determined effort to persuade city councils to adopt ordinances, prepared and promoted by OPA, which would saddle the cities with the responsibility of enforcing, with local police and in the local courts, the ever-changing federal price and ration regulations."<sup>1</sup> Evidently cities have not been too friendly to this idea.

Howard and Bone give a good account of the fiscal effects of federal action on states and cities. The federal government has attempted to meet its responsibilities by providing aid for public works necessitated by the location in or near hard-pressed municipalities of federal projects. On the other hand, a great deal of municipal property has been taken over, apparently without the development of a uniform policy. The national agencies, under acts of Congress, are evidently increasingly committed to the policy of making in-lieu payments on property which might be taxable if not federally owned.

The question of federal-local relationships is apt to become especially acute with respect to housing. The law pays lip service, at least, to local planning and tradition, but such attention may be overcome by the necessity of saving time, materials, or manpower. The authors assume that this is necessary in war time, and probably they are correct. It is to be hoped that no permanent tradition will be thereby established.

One of the most interesting effects of the war has been the inducement to cooperation between local governmental units. Sometimes this has been made necessary by federal regulations, such as those of the Federal Communications Commission with respect to police radios. It is not too much, probably, to hope that effects of this practice will last beyond the war.

The timing of events has not permitted the authors to include all the significant recent developments in the field of federal-local rela-

<sup>1</sup> American Municipal Association, *9 Washington News Letter* 3 (January 31, 1944).

tionships. It is proper to record here, I think, that federal executive agencies have in three cases, at least, made attempts to control local personnel policies and that these attempts were subsequently abandoned. These three attempts related to municipal personnel relations, municipal wage stabilization, and the freezing of employees in municipal jobs. In all three instances, after determined municipal opposition, the federal agencies appear to have withdrawn to a position more easily defended from the point of view of our constitutional system.<sup>1</sup>

Howard and Bone's final chapter surveys the field of postwar planning, both on a national

and on an international scale. The treatment accorded this broad field is as adequate as a short chapter can afford. Emphasis is principally on federal activity. The only point which might be raised here is the query as to the degree to which a future Congress, eager to reduce expenses, will in fact support the planning efforts of American municipalities.

<sup>1</sup> Cf. Charles S. Rhyne (ed.), *Municipalities and the Law in Action* (National Institute of Municipal Law Officers, 1943), articles by F. Murray Benson (pp. 141 ff.) and Raymond Schroeder (pp. 165 ff.); also 25 *Public Management* 237-38 (August, 1943), and Jeremiah J. Donovan, "Wartime Personnel Practices in Cities," 25 *Public Management* 327 (November, 1943).

## Work and Relief: Do They Mix?

By Ralph E. Spear, American Public Welfare Association

**THE WPA AND FEDERAL RELIEF POLICY**, by DONALD S. HOWARD. Russell Sage Foundation, 1943. Pp. 879. \$4.00.

**I**N THESE days of rising prices, it is a delight to find such an intellectual bargain as Mr. Howard has provided in this volume; for here are at least three books, all of them interesting and provocative. The first might be called "Fact and Fancy in Relief Policy"; the second, "Through the WPA with Gun and Camera"; and the third, "What Next?"

In the first book (which Mr. Howard calls prosaically, "The Setting"), there is an introduction which sets forth adequately the complexity of relief problems. To the old program of poor relief have been added many special programs for aiding particular groups (i.e. the aged, the blind, the dependent children), programs of institutional care, and a variety of work relief programs. In addition, the several states have in varying degrees improved the basic program of general assistance. Administrative responsibility for these several programs is even more diverse than the programs themselves. Many federal, state, and local agencies may be operating in one community, while in other communities a single local agency may have responsibility for most of the programs involved. As Mr. Howard points out, answers to questions about provisions for needy persons must be related only to a given

program in a particular locality at a specified time if accuracy is to be preserved.

The number of individuals receiving relief during the past decade and a half is susceptible only to estimate. Complications of family size, supplementation by one program of assistance given by another, and normal turnover in the relief rolls all serve to complicate the picture. It seems likely, however, that one out of every four persons in the United States has benefited fairly directly from public assistance or work relief during this period.

One of the most common anguished cries of the taxpayer has been directed at the "high cost of relief." A review of the facts, however, from a somewhat detached position hardly warrants the intensity of criticism on this point. During the calendar year 1938, the total amount expended for work-program earnings and public-assistance benefits reached its high point—three billion, two hundred thirty-seven million dollars. While this may seem a tidy sum to any individual, it appears somewhat less mountainous when viewed in relation to total income payments for the nation as a whole. All work-relief earnings and assistance grants totaled 4.7 per cent of income payments in 1938 and in the other years of heavy expenditure ranged generally between 2 and 4 per cent. The yearly average of work- and direct-relief benefits for 1936 through 1941 was probably less than the average expendi-

tures of the American public for distilled spirits, wines, and malt beverages. There is no implication in Mr. Howard's presentation that we should not be concerned about the costs of the program; the point is made, however, that this concern should be related to both the problem and the benefits rather than to an emotional concern grounded in the old conviction that low costs are the greatest possible good.

Perhaps the most interesting part of Mr. Howard's treatment of the setting is to be found in his consideration of what might be termed the folklore of relief policy. It is clear that much of the resistance to the development of an adequate program stems from feelings which are in no way related to facts. While it is probably true that public welfare administrators have failed to report adequately on their programs and are accordingly in some measure responsible for this situation, the basic feelings appear to be rooted in our national history.

There is, for example, the notion still held by some that people can find work if they want it. Even in the gloomiest of depression years certain well-to-do individuals in responsible positions persisted in the statement that if a man had the proper initiative and self-respect, he could be self-supporting. Mr. Howard cites numerous surveys and studies to refute this point. He quotes E. Wight Bakke of the Institute of Human Relations at Yale University: "No doubt individual cases can be found of persons who are work-shy. But out of our six years of attempts to find genuine cases of refusal of jobs with any claim to minimum standards, we have developed a thorough conviction that this state of affairs is so unusual as to be of no real concern for public administration." Since, however, we are perhaps given to relying more on personal experience than on competent surveys, a more telling rebuttal may be found in Mr. Howard's citation of Bruce Barton's public confession "that in spite of all his own earnest effort, his wide business contacts, and influential acquaintances, he had been unable to find a job of any kind for one young man in whom he was interested." This feeling is important in relief administration since it has been a not uncommon occurrence for agencies occasionally to deny relief to individuals as a means

of forcing them to find work. The shortcomings of the substitution of this negative technique for a real program of assistance in finding work are obvious.

Another feeling which is widely held is that relief pauperizes those who receive it. There can be no doubt that the individual who goes quickly from a self-supporting status to a relief status may well suffer some undermining of initiative, self-reliance, and self-respect. As Mr. Howard points out, however, this results not from the giving of relief but from the destitution which occasions the giving of relief. As Homer Folks has said ". . . when bottom has been reached, when need is not only imminent, but existent, the relief of that need is enormously less demoralizing than that the need should continue unrelieved. It is infinitely less demoralizing to receive aid than to resort to illegal and anti-social methods of securing incomes. In fact, at its best, the receipt of relief can be a cohesive social factor."

Another argument sometimes advanced against the development of public relief programs is that "relief and politics can't be divorced." This feeling doubtless stems from the fact that the American people have become quite accustomed to the operation of venal politics in many areas of public service, but an impartial view of even some of our most tightly controlled political machines would demonstrate that it is possible to administer relief on a nonpolitical basis provided there is sufficient public opinion behind such nonpolitical administration.

Possibly the basic obstacle to the development of adequate relief programs is the lack of any agreement on the question of how destitute people can become before their welfare is properly a matter of public concern. It is possible that relief programs and problems have not been sufficiently personalized. Many a good-hearted citizen finds it possible to contemplate an exceedingly low standard when considering relief needs in the mass, whereas his point of view is entirely different in a situation involving any personal acquaintance. One of the most commonly shared experiences of local public welfare administrators is that of the exceedingly vocal critic of relief "extravagance" who sooner or later storms angrily into the office to protest against the niggardly allowance which is being fur-

nished to his maid's sister, or to the family in the church in whom his wife has become interested. This dilemma may have important implications to public welfare administrators as they consider plans for reporting on public agency activities.

The inadequacy of general relief as it has been administered in this country is very capably set forth by Mr. Howard. A review of the number of individuals assisted and the average amounts of such assistance makes this point clear beyond all question. In its role as the last line of defense against destitution, general relief should be fully organized and prepared to meet any economic emergency. Instead, it could be fairly said in 1940 that in some respects general relief was as chaotic as it had been in 1933. In many areas of the country funds were totally inadequate, the genuine basic needs of hundreds of thousands of people were not being met, and political manipulation was clearly evident in far too many communities. The fact that each state and local dollar expended for special types of assistance designated in the Social Security Act would be matched by the federal government has tended to channel into state and local appropriations for these programs a much greater percentage of the available funds than would be justified by a rational consideration of general relief needs. In all fairness it should be added that most state and local agencies have attempted to furnish general relief on the same basis as special assistance. Some agencies have succeeded in doing so, but many others have found it utterly impossible because of the inadequate administrative and financial arrangements.

The issue of federal participation in costs of general relief has been constantly debated since the termination of the FERA program in 1935. Such participation has been urged by most organizations concerned with the operation of public assistance programs, but the advocates of work relief have thus far successfully resisted the proposal because of their fears that general relief would then be used as a substitute for employment in meeting the needs of the unemployed. There is some indication, however, that this situation may be improved in the near future, that general relief may be provided on the same basis as special assistance, and that the philosophy of

providing work instead of relief may be retained.

One of the major shortcomings of the general relief program may be found in a review of several groups of needy persons who are frequently discriminated against in the operation of the program. Perhaps the largest group thus treated is composed of those who are in need but who are not at the very bottom of the economic scale. Such discrimination results in a practice of waiting until each individual has become absolutely destitute before offering assistance. While such discrimination is usually practiced because of considerations of immediate economy, it is obvious that, in the long run, both the economic and social rehabilitation of the individuals is thereby rendered considerably more costly.

Another important group denied assistance is made up of those who lack the stipulated period of residence in a community. In general, it may be said that residence for relief purposes is much more easily lost than gained, so that an important number of individuals are without residence in any community. A recent important step in the direction of overcoming this difficulty was taken by Rhode Island, which abolished residence as a requirement for relief. It is to be hoped that other states will follow Rhode Island's enlightened lead.

When funds for relief begin to run low, it is not uncommon for agencies to deny relief to those who are considered "employable." This has been done on the mistaken theory that anyone who wants work can find it, and the conscience of the local jurisdiction is much easier when assistance is denied an allegedly able-bodied person than it would be if the handicapped were left to shift for themselves. It is unfortunately true, however, that such restrictions have been adopted chiefly because relief funds were inadequate and not because of any change in the number of job opportunities in the community. In a few instances such discrimination has been a part of regular agency policy on the theory that the federal government, through the WPA, had accepted responsibility for employable persons. The difficulty of distinguishing between the employable and the unemployable has frequently resulted in individuals' being denied general relief because they are considered employable

and being denied work relief because they are considered unemployable. The danger in this type of discrimination is obvious, and the solution is equally obvious—a public assistance policy of meeting need where it exists and developing facilities for putting people to work in either private or public employment at the earliest opportunity.

Single persons having no dependents are also frequently denied assistance, as are aliens. In the first case, the individual is not infrequently driven to illegal methods of meeting his basic needs. In the case of the aliens, however, it usually means that the members of their families who are citizens are forced to share an already inadequate assistance grant.

If in our program of general relief administration we are to maintain the dignity, independence, and self-respect of individuals, and are thereby to preserve our most valuable national resources, it is clear that we must break with such restrictive policies as are deplored by Mr. Howard and must adopt a policy of availability of service and assistance to all individuals in need of them, regardless of race, creed, political belief, citizenship, residence, or moral habits. To do so will require the brushing away of many emotional cobwebs. To fail to do so will be to ignore the presence of many malignant growths on the body politic.

Mr. Howard devotes the major portion of his book to a review of the operation of the Work Projects Administration. Here is included a useful compendium of statistics on numbers employed, earnings, projects completed, etc. Many individuals have been inclined to criticize WPA as a "leaf-raking" or "boondoggling" venture. Despite many concrete evidences to the contrary, this view has persisted. Its widespread acceptance gave point to a delightful newspaper headline in Chicago. The *Chicago Times*, featuring two pages of pictures of the lake front, park, and highway project at its completion, spread the pictures under the heading, "It's done by leaning on shovels!"

Mr. Howard, in summing up the achievements of the WPA, quite evidently displays the same type of awe with which many taxpayers' groups viewed the first appropriations in excess of one billion dollars. He says in part, So vast have the WPA's achievements been that

attempts to present them in quantitative terms only stagger the imagination. During its first six years, ending with June, 1941, the WPA had completed, for example, the construction or improvement of over 600,000 miles of highways, roads, and streets—enough to encircle the world 24 times; the building or rebuilding of more than 116,000 bridges and viaducts which, end to end, would extend more than 700 miles. Public buildings constructed or reconstructed included more than 110,000 public libraries, schools, auditoriums, or other public buildings. If only the new buildings constructed were distributed evenly among the 3,000 counties in the United States, each could have had about ten. More than half a million water service connections were established. The number of sewerage service connections also exceeded half a million. Nearly 600 airplane landing fields were constructed or improved. Nearly 80 million books—more than three for every five persons in the United States—were renovated. Some 575,000,000 school lunches had been served through December, 1940—the equivalent of more than four meals for each of America's 130,000,000 men, women, and children. More than 300,000,000 garments had been completed for distribution to needy men and women, boys, girls, and infants.

In the educational field, during January, 1941, there were 1,460 nursery schools in operation serving over 36,000 children. Enrollment in adult education classes totaled nearly a million. Literacy classes, during a five-year period ended in 1941 were estimated to have helped more than 1.5 million adults to learn to read and write.

By far the most interesting part of this conducted tour through the WPA, however, is the careful pointing out of the issues which have arisen to bedevil administrative officials. There is no doubt that at times responsible WPA officials would have welcomed the relatively easy assignment of "making bricks without straw." For example, there was considerable congressional sentiment to the effect that the WPA program should be a program of "honest work"; that the individuals employed should return a day's work for a day's pay. On the other hand, there was insistence that relative need be considered when lay-offs were necessary. Editorial critics were able to produce a great deal of copy assailing the WPA for the low quality of work which these critics thought they observed, and yet shortly thereafter were at the WPA hammer and tongs for not releasing its most competent workers to private industry. (The fact that neither of these charges was ever really substantiated detracts in no way from the WPA administrators' unhappiness at the time.)

In his treatment of the issues which arose in the administration of work relief, Mr. Howard

succeeds admirably in presenting divergent points of view. For example, he presents the problem which early faced the responsible officials: Should projects be designed to use the available skills of unemployed workers, or should the most useful projects be planned with a view to using only those whose skills fitted them for the jobs? Here again was something of a dilemma. One of the fondest hopes of the proponents of work relief was that it would serve to maintain the skills of the unemployed—a purpose which would make the first alternative desirable. When, however, real efforts were made to accomplish the purpose, a veritable torrent of criticism broke loose. Those who had urged the maintenance of skills apparently had in mind only technical trades, and the thought that the federal government had any stake in preserving the skills of actors, writers, teachers, and artists was abhorrent to them. In fact, all of the "white collar" projects were viewed with a great deal of suspicion, and a number of restrictions were written into federal legislation prohibiting certain types of projects.

The opposing viewpoint, which sets forth the importance of limiting employment to workers capable of doing the job prescribed, is equally well presented. The viewpoints of the *New York Herald Tribune*, *Nation's Business*, and General Hugh S. Johnson are faithfully set forth in their passionate criticism of the "theory that the Government is obligated to give the unemployed work at their regular vocations."

In his section on eligibility, Mr. Howard presents at some length the factor of need and its effect on the development of the program. With very few exceptions, Congress has held steadfastly to the requirement that individuals employed on WPA projects should be certified as being in need. In general, the officials responsible for the operation of the WPA program have preferred to think of it as a work program. Harry Hopkins, Colonel Harrington, and Howard Hunter have in succession requested Congress to remove the requirement that employment be given on the basis of relative need. They have been uniformly unsuccessful. Perhaps the clearest statement of the case against the needs test was made by Senator La Follette in the course of a debate of a WPA measure in 1940.

There was never anything more preposterous than that we should expand the old English common-law concept of poor relief in an effort to meet a cataclysmic economic crisis; the proposition, in other words, that a man and his family must be stripped of everything they have before they are entitled to consideration for employment or assistance from government.

It is a great tribute to the people of the United States, to their stamina, their morale, and their character, that this cruel process of pauperization has worn away so little of their morale and their character. I know of nothing worse that can happen to a family than to have to go down through that cruel process of pauperization, the loss of home, the loss of savings, the loss of their life insurance, the loss of all those things which they have held dear until finally, stripped and destitute, they come under the eligibility rules which have been established by the Federal Government and by governments at other levels.

Running through nearly all the important issues encountered in the works program is the basic question of whether it is primarily work or relief. The question is important because its clarification would go a long way toward resolving most of the issues. There can be no question, in view of the congressional attitude, that WPA throughout its life remained more a relief program than a work program. Most of the issues were, in the last analysis, decided with the concept of need predominant. In all honesty, it must be admitted that the results of these decisions have been far from satisfactory and have, in fact, engendered most of the criticism that has been directed at WPA. As long as the federal government maintained even a semblance of providing work for the *needy* unemployed, state and local governments have been inclined to view their own responsibilities for the needy "unemployable" in a very restricted sense. With need a prime factor of eligibility, work program officials have been unable to insist on the quality of job performance that should have been maintained. As indicated above, critics of the program have had a field day, leaping from one side of the issue to the other, now insisting on need as a prime factor of eligibility, now calling on all to witness the failure of responsible officials to insist on a high quality of work. In planning for the future it is to be earnestly hoped that we shall have the hindsight at least to recognize that, like oil and water, relief and work do not mix.

In the final section of the book, which Mr. Howard calls "The Broader Issues," there is a

very interesting and stimulating discussion which every individual having responsibility for public welfare policy or administration should read. After a rather full discussion of the pros and cons of the question, Mr. Howard concludes that we have definitely accepted the concept of federal responsibility for participating in programs of assistance to needy individuals. In his discussion of the proportionate share of financing to be borne by the federal government, he would differentiate between a work program and special assistance programs, favoring in general the notion that while systems of grants-in-aid may be adequate for the administration of most assistance programs, unified control of the policies in operation of a work program is essential if the values of such a program are to be fully realized.

After a consideration of the questions of work *vs.* unemployment and WPA employment *vs.* direct relief, Mr. Howard presents his conclusions with respect to desirable approaches to the problem in the future. In considering the responsibility of the federal government in a program of direct relief, the author aligns himself with the growing group who feel that a system of federal grants-in-aid to the states for this program should be inaugurated. It should, however, be accompanied by an acceptance of complete federal responsibility for assistance to employable persons, the latter program to be administered by the same agency responsible for the placement, training, and retraining of, and where necessary the provision of public work for, these persons. In this recommendation, Mr. Howard may be minimizing the difficulties involved in distinguishing between "employable" and "unemployable" persons. While recognizing the difficulty, he feels that interagency friction might be reduced by such a separation. This is of course a matter of opinion not susceptible to proof, but it may reasonably be contended that interagency friction would actually be increased by such an arrangement, always at the expense of the unfortunate individuals who fall between the programs of unemployment assistance and direct relief.

In his consideration of work as a remedy for unemployment, Mr. Howard appears to be on sounder ground. He concludes that real,

normal work is infinitely preferable to the WPA type of employment. While recognizing that most responsible WPA officials wanted a program of real work, he adds, "It seems fair to say that the value of WPA employment to workers has been severely limited by the increasingly stringent limitations imposed by Congress upon (a) the kinds and number of people who could be given employment; (b) the kinds of work that could be undertaken; (c) conditions of employment; and (d) the quantities of materials, supplies, and equipment that could be used."

In the event that private industry is not able to provide employment for all those able and willing to work, he recommends that the federal government undertake a program of needed, useful work designed to utilize the workers' skills and provide needed facilities, services, and goods even though these programs might occasionally compete with private enterprise. He points to the nationalizing of post offices and to governmental operation of ordnance plants and shipyards as types of government employment which have been regarded as socially defensible. Any decision to engage in such competition with private enterprise should, of course, be justified by considerations of national interest.

Mr. Howard recommends that federal employment should be available to potential workers "without respect to race, political consideration, residence, nationality, or economic need." Selection should be through public employment offices and should be on the basis of ability to do the work in hand. He cautions against the establishment of restrictive policies such as those limiting employment to needy families or to family heads, if a program of real work with the constructive values which such a program offers is to be maintained. He recommends that earnings of an individual on the federal employment program should be adapted to the number of children dependent upon him. He points to the family allowance system applied by the federal government to the families of men in the armed forces as an acceptable precedent for such a policy.

He recommends that the federal agency responsible for the program should be empowered both to operate projects on a force-account basis and to make use of private con-

tractors. The federal administrative agency should allow the greatest possible degree of flexibility in the operation of the program, possibly utilizing regional or state advisory committees composed of representatives of labor, employers, and the public. He proposes further that provision be made for two types of work: (a) a program in which duties and pay can be scaled to the capabilities of handicapped workers and (b) a program geared to the capabilities of the fully employable workers. In this suggestion he is guided by the feeling that the national interest is best served through a realization of our fullest possible productive capacity. If we do not utilize the skills available among the handicapped, we are guilty of wasting a considerable productive resource.

On the whole, Mr. Howard's book is as stimulating an appraisal of work and relief policy as has appeared. It is not to be expected that there will be unanimous agreement with all the conclusions which he sets forth. The soundness of his basic concept that the answer to unemployment is employment will be questioned by few, although many may be unwilling to accept all of the implications he derives from that principle.

If the length of the book frightens away any considerable number of public officials responsible for policy determination or administration in the public welfare field, it will be exceedingly unfortunate. It is unlikely that we shall soon see another discussion of this subject so adequately or so interestingly presented.

# News of the Society

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PUBLIC administrators and scholars focused their attention on problems of the post-war world at the annual meeting of the American Society for Public Administration held January 20-23 in Washington, D.C., in conjunction with the meetings of the American Political Science Association and the American Economic Association. Sessions were scheduled at the Statler Hotel, Commerce Department Auditorium, and George Washington University.

Louis Brownlow, director of Public Administration Clearing House, the retiring president of the Society, spoke on "Public Administration in the Post-War Period."

Postwar planning, domestic and international, claimed the attention of many of the speakers with such topics for discussion as public finance, social security, labor problems, government and business, and public personnel. Among other topics were the judicial control of administration; civil liberties in wartime; and problems of bureaucracy in business, labor, and government.

The opening joint public meeting established the international theme underlying many of the sessions when J. B. Condliffe, of the Carnegie Endowment for International Peace, spoke on "The Economic Organization of Welfare," and Clarence A. Berdahl, of the University of Illinois, spoke on "United States Leadership in the Post-War World." Other sessions that emphasized the importance of international relations were concerned with administrative implications of broadening United States participation in international affairs, postwar requirements for international functional organizations, treaty-making, international policing, international trade, international monetary problems, and a federal solution for Europe.

Speakers at luncheon and dinner sessions and their topics were as follows: Joseph Eastman, director, Office of Defense Transportation, "Public Administration of Transportation under War Conditions"; Leon Henderson, Research Institute of America, "Changing

Contours of Government and Business"; Congressman Robert Ramspeck, "The Responsibility of Bureaucracy to the People"; Sir Arthur Salter, "From Combined War Agencies to International Administration."

The location in Washington of many of the members of the three organizations helped to bring a large attendance, which was estimated at well over 2,000.

At the annual business meeting, January 22, Luther Gulick, Director of the Institute of Public Administration, was elected president of the Society for 1944. Roscoe C. Martin, director of the Bureau of Public Administration at the University of Alabama, was elected vice-president.

New senior members elected to the Council to serve for three years are:

Clarence A. Berdahl, professor of political science, University of Illinois

Frank O. Evans, assistant superintendent of schools, City of Los Angeles

Frank M. Rarig, Jr., regional director, War Manpower Commission (Minnesota)

The new junior member elected to the Council to serve for three years is:

Miss Grace M. Kneedler, editorial assistant, International City Managers' Association

Other members of the Council for 1944 are:

Louis Brownlow, director, Public Administration Clearing House

Joseph M. Cunningham, deputy comptroller, City of New York

Alonzo G. Grace, commissioner of education, State of Connecticut

C. A. Harrell, city manager, Schenectady

Miss Julia J. Henderson, lecturer in public administration, Wellesley College

Samuel C. May, director, Bureau of Public Administration, University of California

William E. Mosher, dean, Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University

Harold D. Smith, director, Bureau of the Budget, Executive Office of the President

Joseph M. Cunningham, a member of the

Council, reported on the desirability of encouraging chapter activities. It was the consensus of the Council that the president of the Society appoint a committee of active and accessible chapter presidents or secretaries to assist in stimulating chapter activities through such methods as arranging for recognition of chapter heads attending annual conferences of the Society; assuming responsibility for assisting the president in the formation of chapters; making visits to formation meetings whenever feasible; endeavoring to help local chapters obtain speakers for meetings; and preparing drafts of quarterly letters from the Society's president to chapter heads, disseminating news of chapter activities and endeavoring to stimulate local activity.

It was proposed that the Society go on record as favoring close cooperation with similar societies in Canada, Australia, New Zealand, and England, and participate so far as possible in the international field. It was generally agreed that such cooperation was desirable for the further growth of the Society.

The annual report of the secretariat for the year ended December 31, 1943 showed a Society membership of 2,056 as against 2,051 at the end of 1942. The financial status of the Society is reasonably satisfactory. The official journal, *Public Administration Review*, is being mailed into every state in the Union and to Hawaii, Canal Zone, and Puerto Rico. It goes to Guatemala, San Salvador, Argentina, Brazil, Paraguay, Peru, Canada, England, India, Iran, Australia, New Zealand, and China. It is also mailed to many members with APO addresses.

The percentage of members and subscribers in the public service is 51.8. Slightly more than 31 per cent represent federal employees. State and local government employees each represent a little over 10 per cent. University faculty members constitute 21.4 per cent. Students, who formerly accounted for 3 to 4 per cent, this year represent only 1.5 per cent. About 8.6 per cent of the total membership is in the Armed Services.

#### *Chapter News*

THE Alabama Chapter continues to issue the monthly *News Letter* not only reporting news within the State of Alabama but summarizing practices and problems of neigh-

boring states. Within the past quarter the *News Letter* has announced the institution of job training programs in both the State Department of Highways and the State Department of Industrial Relations; the establishment of a state planning board, of a planning board for the City of Birmingham, of an Emergency Finance Corporation authorized to purchase bonds issued by local governments to finance public works, and of a committee to study the problem of a retirement system for Alabama's 5,000 classified civil servants; and a recent General Education Board grant which will make possible the expansion of activities of the Bureau of Public Administration at the University of Alabama to include regional studies, the encouragement of comparable bureaus in other southern states, and the training of graduate students in public administration.

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The Southern California Chapter held a regional joint conference with the Western Governmental Research Association December 3. The afternoon sessions included two panel discussions. The first, on "Management Methods Used in Coordinating and Supervising a Field Organization," was under the chairmanship of Francis M. Cummings, efficiency engineer for the Los Angeles City Bureau of Budget and Efficiency. Panel members were:

Joseph J. Davis, chief assistant county forester and fire warden, assistant director of parks, and deputy chief engineer of the Los Angeles County fire protection districts

Arthur C. Hohmann, deputy chief, Los Angeles City Police Department

S. C. Joyner, assistant business manager, Los Angeles City Board of Education

H. Arthur Hook, regional manager, U. S. Civil Aeronautics Administration

The second panel discussed "Administrative Determinations—The Exercise of Judicial Power by Administrative Agencies," under the chairmanship of S. V. O. Prichard, assistant counsel for the County of Los Angeles. Panel members were:

E. J. Eagen, regional director, National Labor Relations Board

Foster Sherwood, professor of political

science, University of California at Los Angeles

Harry J. McClean, Los Angeles Bar Association

At the dinner meeting the principal speaker was Arthur G. Coons, dean of the faculty and professor of political science, Occidental College, who spoke on "Post-War Governmental Responsibilities and Economic Reality." A. H. Campion, acting chief administrative officer for Los Angeles County, was chairman.

On January 22, the Los Angeles Chapter participated in a regional conference in Los Angeles, to coincide with the meetings of the Society in Washington, D.C. The conference was sponsored by the Pacific Southwest Academy, the Southern California Economic Association, the Pacific Coast Economic Association, the American Political Science Association, and the Los Angeles Chapter.

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The Chicago Chapter held its annual meeting December 28, for the purpose of electing officers for the ensuing year. The following persons were elected:

*President*—Joseph L. Moss, director, Cook County Bureau of Public Welfare

*Vice-President*—George H. Bowers, administrative personnel technician, Chicago Park District

*Secretary-Treasurer*—John Day Larkin, professor of political science, Illinois Institute of Technology.

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The Boston Chapter held a business meeting and election of officers early in November. The new officers for 1944 are:

*President*—Julius Kellner, regional auditor, Social Security Board

*Vice-President*—Thomas Greehan, deputy director, Division of Personnel and Standardization, State Commission on Administration and Finance

*Secretary-Treasurer*—Julia Henderson, lecturer in public administration, Wellesley College

*Chapter Directors*—Charles P. Howard, treasurer, Middlesex County

Edward G. Huber, M.D., assistant professor of public health practices, Harvard University

Morris B. Lambie, professor of government, Harvard University

Col. Thomas F. Sullivan, Army Specialist Corps

At this session it was decided to hold monthly luncheon meetings. The general topic selected for 1944 meetings was "Federal-State-Local Problems of War-Time Public Service."

On January 15, the Chapter held a panel discussion which included the following participants:

Thomas Buckley, acting district collector, Bureau of Internal Revenue, who talked on "Problems of Administrating New or Proposed Federal Tax Legislation"

Henry Long, commissioner of corporations and finance, Commonwealth of Massachusetts, who discussed "Repercussions of Federal Tax Legislation on Massachusetts' Financial Problems"

Charles Fox, city auditor, Boston, whose topic was "Local Financial Problems Arising Out of Federal and State Tax Programs"

The chairman of the meeting was Norman MacDonald, Massachusetts Federation of Taxpayers Associations.

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The Minnesota Chapter held its annual meeting December 2, with 76 members and guests present. President Rena Smith introduced Mayor John J. McDonough of St. Paul; T. G. Driscoll, newly appointed state commissioner of administration; and members of the Post-War Planning Committee of the League of Minnesota Municipalities.

The program for the evening consisted of a panel discussion of "Planning for the Post-War Period," led by Professor William Anderson, chairman of the department of political science, University of Minnesota. Members of the panel who told briefly of the objectives and nature of the plans under way in their respective agencies included:

A. B. Horwitz, city planning engineer, Duluth

Herman E. Olson, planning engineer, Minneapolis

Robert T. Jones, department of agriculture, University of Minnesota and member of the Minneapolis City Planning Commission

George H. Herrold, planning engineer, St. Paul

J. W. Clark, executive secretary, Minnesota Resources Commission

Allan Briggs, executive director of the State Defense Council and of a state planning committee

W. M. Beadie, assistant commissioner, State Department of Aeronautics

H. E. Chard, district manager, State Highway Department

S. L. Taylor, assistant district engineer, Public Roads Administration

Arthur Upgren, vice-president, Federal Reserve Bank and member of the Committee on Economic Development

Roland S. Vaile, department of economics, University of Minnesota, and member of the research staff of the Red Wing Community Survey

At the same meeting new Chapter officers were elected for 1944 as follows:

*President*—Professor C. C. Ludwig, executive secretary, League of Minnesota Municipalities

*Vice-President*—Dreng Bjornaara, state director, War Manpower Commission

*Secretary-Treasurer*—Professor Lloyd M. Short, Public Administration Training Center, University of Minnesota

*Chapter Council Members*—Erwin J. Boffering, assistant regional representative, Bureau of Employment Security, Social Security Board

Ruth T. Devney, executive secretary, Hennepin County Welfare Board

Harold L. Henderson, executive director, Minnesota Institute of Governmental Research

Donald Nottage, chief, Classification and Pay Division, State Civil Service Department.

The New York Metropolitan Chapter held its second meeting of its fifth season on December 1. The speaker, Brig. Gen. Clinton F. Robinson, Director of Control Division Headquarters, A.S.F., spoke on "Administrative Management in the Army Service Forces." General Robinson was formerly deputy administrator of WPA in New York, working with Lt. Gen. Somervell, whose chief aide he

has been in spreading the techniques of administrative management in the Army Service Forces.

The third meeting of the Chapter's season was held January 11, when the speaker was Dr. Herman Finer, internationally known student of government and administration, formerly with the London School of Economics and Political Science, and for the past two years on the postwar planning staff of the International Labour Office in Montreal. The subject of his talk was "Critical Issues in the Future Public Service."

The fourth meeting of the season was held February 21. Philip C. Jessup, director of the division of international law of the Carnegie Endowment for International Peace, who played a leading role in organizing the secretariat for the Atlantic City conference of UNRRA, spoke on "Organizing for International Administration."

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In Portland, Oregon, a group of fifteen persons from the several levels of government and various institutions met informally December 10 to discuss the organization of a local chapter. D. L. Marlett, controller of the Bonneville Power Administration, discussed the organizational problems of that agency. At the business meeting which followed, the following persons were named to a temporary organization set up with a view to establishing a chapter:

*Chairman*—Walter E. Sykes, assistant regional conservator, Soil Conservation Service, U. S. Department of Agriculture

*Secretary*—Walter C. Jones, professor of political science, University of Oregon

*Members of the Organizing Committee*—

George K. Aiken, State Budget Director

Walter A. Durham, Jr., War Labor Board

Howard R. Ennor, Bureau of Municipal Research, University of Oregon

Herman Kehrli, League of Oregon Cities, University of Oregon

Charles McKinley, Reed College

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The Washington, D.C., Chapter held its first meeting of the season November 17. Following the program theme adopted for the year, "Bureaucracy—A Diagnosis," the topic for the

first meeting was "Congressmen Look at 'Bureaucracy'." Speakers at the meeting were:

Senator Robert A. Taft of Ohio

Congressman Charles F. Gifford of Massachusetts

Questioners were:

Paul H. Appleby, Undersecretary of Agriculture

James V. Bennett, Bureau of Prisons

On February 15, the Chapter held a panel discussion on "The Relationships between Executive Agencies and the Congress." Speakers from the executive branch of the government were:

Arthur N. Holcombe, War Production Board

Arthur W. Macmahon, consultant on administration, Department of State

Questioners were:

Congressman Estes Kefauver of Tennessee

Congressman Everett M. Dirksen of Illinois

The moderator of both meetings was George B. Galloway of the Library of Congress.

The objective of both of these meetings was the isolation and the examination of the several main problems faced by Congress in developing working relationships with administrative agencies.